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Serb Party Offices Are Hit in Belgrade

NATO Strike on Headquarters Also Knocks Out 3 TV Stations



Political center in New Belgrade burning after an attack by NATO.

By Steven Erlanger
New York Times Service

BELGRADE — The NATO alliance struck hard at Yugoslavia's political and media elite Wednesday, knocking three television stations off the air and destroying the party offices of both President Slobodan Milosevic and his wife.

A bridge across the Sava River only a few kilometers from central Belgrade also was hit.

The attacks came as the White House indicated that the United States would support "revising" a 1998 study on ground troops in Kosovo if NATO requested it.

The White House denied, however, that such a reassessment would constitute a commitment of ground troops.

NATO meeting to focus on ground troops and oil cut-off. Page 7.

It was NATO's first attack on the Serbian mass media in Belgrade, although the main state television and radio, Radio and Television of Serbia, was not hit and remained on the air.

But the three cruise missiles that set a 24-story building aflame also sent a clear message that, after weeks of hesitation, NATO would now hit the business interests of Mr. Milosevic's family and friends.

The building, formerly the Central Committee of the Yugoslav Communist Party in the old days, contains the offices of Mr. Milosevic's Serbian Socialist Party and the offices of the Yugoslav United Left party of his wife, Mirjana Markovic.

It also houses the studios and transmitters of Radio and TV Kosava, or Wind, which belongs to their daughter, Marija, the studios and transmitters of TV Pink, which belongs to Milosevic's friend Zeljko Mitrovic, a prominent member of the Yugoslav Left.

In addition, there is the studio and transmitter of the main sports channel, SOS, and the main transmitter of BK TV, owned by the four Brothers Karic; one of them, Bogoljub, is a Yugoslav Left minister without portfolio in the Serbian government.

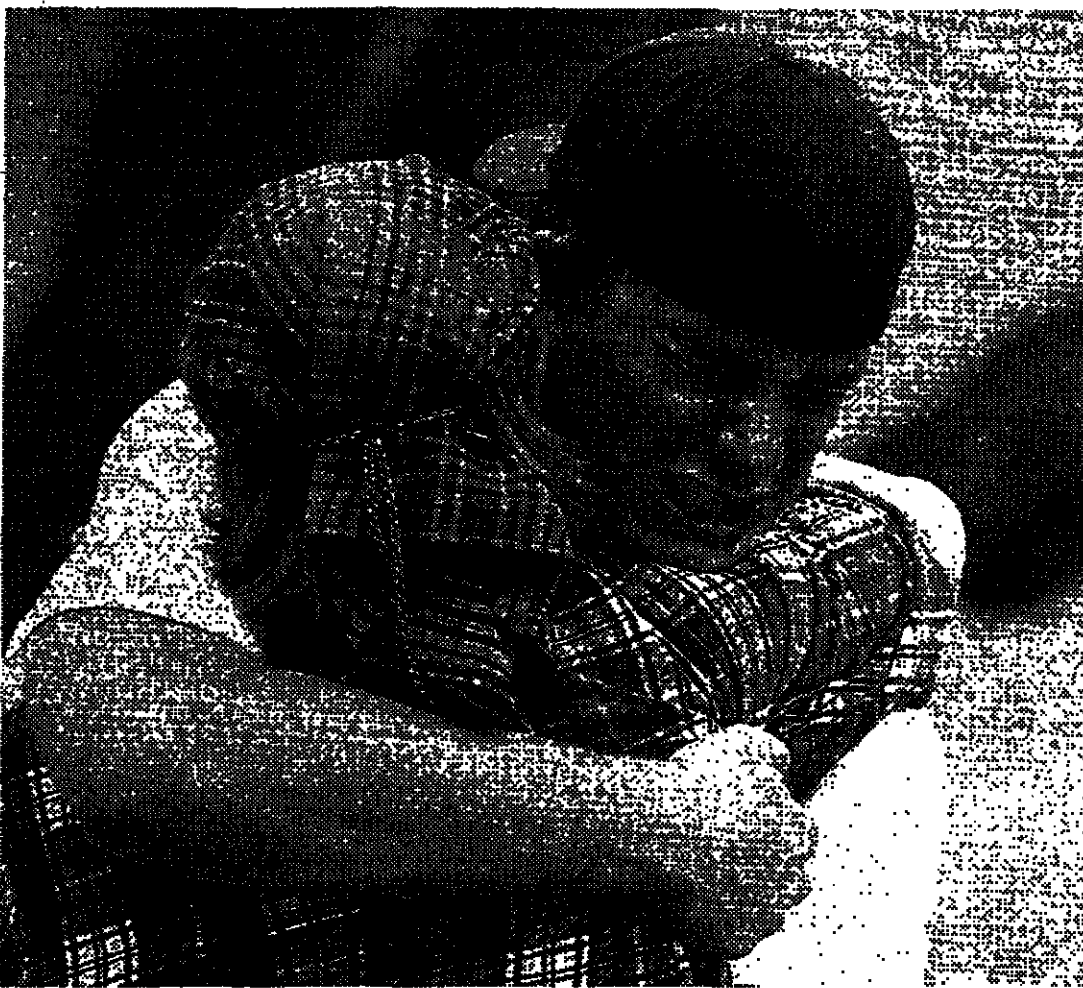
All the stations were knocked off the air, except for the entertainment channel Pink, which can be seen in one area of Belgrade because Mr. Mitrovic also has a small transmitter on the roof of his house in the elite residential and diplomatic area of Dedinje.

An attack on transmitters in the northern city of Novi Sad left the city of 400,000 without any television reception at all, including the channels of state television.

The last of Novi Sad's three bridges over the Danube was also badly damaged, closing it to road and rail traffic. While the Zvezdjev bridge still stands, it

See KOSOVO, Page 7

Slayings of 15 at School Shock America



Distraught students consoling one another outside the high school in Littleton, Colorado.

Young Eyewitnesses to Horror

Students Hid or Ran as the Killers Fired and Laughed

By Tom Kenworthy and Joel Achenbach
Washington Post Service

Columbine High School, "Home of the Rebels," is a big place with a couple of thousand students. It's the kind of school where you don't know everyone, where there are clubs and cliques and subcultures, where a dozen or so strange kids can form something called the Trench Coat Mafia, obsess about death, make a video about their new guns — and it's just part of the scene.

On Tuesday, the killers came to school across the soccer field. It was 11:30 in the morning on a spring day in Littleton, Colorado, in the Denver suburbs.

There were two of them, juniors in high school, wearing black trench coats. They opened fire as soon as they reached the parking lot.

Mindy Pollock, a 10th-grader, said: "I was walking out to go to a friend's car, and I heard what sounded like firecrackers. And I saw two kids, one in a big black trench coat with a handgun and one on top of the ledge with a huge gun. And they were shooting. I saw kids just drop to the ground. The one with the shotgun shot a couple of them right there. We didn't know what it was. My friends, they were like, 'It could be a fake gun.' But then I saw a kid on the ground and he couldn't move, and I said it's not fake."

It was horribly, viscerally real. Students and teachers began running in every direction. Wade Frank, a senior eating lunch in a picnic area, heard popping

sounds and saw a girl fall to the ground, shot in the leg. One gunman approached a fleeing boy and fired straight into his back. "Just point-blank," Wade said. "He had a gun two feet long. Maybe a sawed-off. He was just casually walking. He wasn't in any hurry."

The killers went to the cafeteria. They threw a homemade bomb onto the floor. As they opened fire they giggled, survivors said. Like television villains they explained their motives as they went: They were seeking revenge for being outcasts. Several students said the gunmen were targeting athletes and minorities.

Chris Wisher, a sophomore, said the gunmen were armed with bombs, a shotgun, a handgun and a third weapon that he said was "like an Uzi." Chris and a friend, Jonathan Vandemark, 16, spent an agonizing two hours trapped with dozens of other students inside a biology classroom.

Josh Nielsen, a junior, heard what sounded like someone pounding on lockers. Then the fire alarm went off. Surely, he thought, it was just another drill. Then he saw smoke in a hallway.

"I thought it was a real fire," he said. "People were running. Then I saw that the front windows were blown out. Then I heard someone shouting, 'There's somebody shooting.'"

Upstairs in the choir room, the students were

See STUDENTS, Page 6

'Revenge' Cited as Motive Of 2 Outcast Students; Experts Check for Bombs

By Brian Knowlton
International Herald Tribune

WASHINGTON — In the stunned aftermath of the worst school shooting in U.S. history, bomb experts checked lockers, combed through debris and examined parked cars Wednesday in and near the Colorado high school where 15 people were killed Tuesday in a devastating rampage by two young gunmen, who were among the dead.

The bloody attack at Columbine High School in the Denver suburb of Littleton claimed the lives of 11 males and 4 females, including one adult, apparently a teacher. Sixteen teenagers remained hospitalized Wednesday, five in critical condition.

A solemn President Bill Clinton called on Americans to "commit to act together" to prevent such "horror and agony" from happening again. He

The two shooters were seen as outcasts. • What makes children killers? Page 6.

called for new efforts to identify and help troubled young people.

The police identified the gunmen as Eric Harris, 18, and Dylan Klebold, 17, both juniors at the school. The two apparently fired hundreds of shots and detonated some half-dozen homemade bombs, sowing terror for more than four hours in an apparent "revenge" attack aimed mainly at student-athletes and others they believed had mistreated them.

The gunmen's bodies were found in the school library, dead of apparently self-inflicted gunshot wounds, with bombs strapped to their bodies.

Mr. Harris and Mr. Klebold were members of a group of 10 to 20 white male students known as the "Trench Coat Mafia," the police said. The group was described as social misfits and white supremacists who dressed in black and were fixated with death, Gothic fantasies and Nazi themes. The attack occurred on Hitler's birthday.

At least one of the first policemen to enter the building exchanged shots with the gunmen, the authorities said. Although no suicide notes were found, there were indications that the two had intended suicide. Mr. Harris reportedly posted a message Tuesday morning on an Internet Web site, saying, "Today is my last day on earth." But the authorities could not say whether the message was authentic.

Mr. Harris and Mr. Klebold, the police said, entered the large, modern school building at lunchtime Tuesday, dressed in ski masks and black trench coats, under which they carried rifles or shotguns and semiautomatic handguns. Terrified students heard gunshots and explosions and ran for cover. Most escaped from the school, but dozens of others were trapped inside for hours.

The gunmen reportedly laughed and giggled as they tossed bombs and fired at students. They left a scene of bloody chaos.

Sergeant George Hinkle, a SWAT team member who was among the first on the scene, described what he called "a tremendous amount of destruction," including damage from at least five bombs.

"We've got backpacks all over, shoes, spent shell cases, it just looks like a war zone," he told CNN.

The city of Littleton remained in deep shock as Americans again grappled to make sense of an eruption of violence in a well-to-do suburban school and to ponder again the ready availability of firearms, even to young people.

The attack brought a brutal end to what had been

See SCHOOL, Page 6

Amid Raids, NATO Plans A Rebuilding Of Balkans

By Katherine O. Seelye
New York Times Service

WASHINGTON — The Western military alliance has begun promoting the idea of a sweeping reconstruction of the Balkans, even as it destroys refineries, bridges, roads and buildings throughout Serbia and in parts of Montenegro.

Though the idea is still vague, the Clinton administration hopes that the NATO summit meeting in Washington this weekend will produce a framework for the project, which would cover all the countries of the Balkans.

Administration officials insist that carrying out any plan, especially in the countries surrounding the two republics making up Yugoslavia, would not hinge on a resolution of the Kosovo conflict or the ouster of President Slobodan Milosevic.

Secretary of State Madeleine Albright said Tuesday that millions of people in the Balkans were depending on an economic rescue and could not be "held hostage" by the fate of one man.

The Clinton administration has not begun to define the scale of such a project or to focus on the nuts and bolts of how much it would cost, which countries would participate and their goals.

But the theme of such a reconstruction plan is as important as the details because it would signal that international pressure will be brought to bear to promote economic cooperation and that Yugoslavia's future lies with its integration into Europe.

Various European nations have talked in recent years of rebuilding the Balkans, with little to show for it. With the war in Kosovo now in the process of ruining the province's capacities for production and its transportation system as well as accelerating the mass exodus of its population into already distressed neighboring countries, the alliance says it is more determined now to seek a broad, permanent solution.

President Bill Clinton, who discussed the rebuilding of the Balkans privately with Prime Minister Tony Blair of Britain two weeks ago, publicly raised the notion of U.S. participation in the plan last week.

"We should try to do for Southeastern

See REBUILD, Page 7



U.S. soldiers cleaning a runway in Tirana before the arrival of Apache attack helicopters on Wednesday.

AGENDA

Telecom Italia Agrees to Merger Deal

Telecom Italia SpA's board agreed to a takeover offer by Deutsche Telekom AG, which may thwart Olivetti SpA's \$65 billion hostile bid, after Germany pledged not to meddle in the management of the new company, a statement from Telecom Italia said late Wednesday.

The move, which still needs ac-

ceptance by 90 percent of Telecom Italia investors, would combine Italy's and Germany's top phone companies into the world's biggest by value, at \$190 billion.

Announcement of the agreement was delayed because of potential tax liability problems, sources familiar with the deal said, Page 11.

China Stole Secrets, New Study Concludes

A comprehensive new analysis by U.S. intelligence officials has concluded that China stole design information related to the United States' most advanced nuclear warhead from a government nuclear weapons laboratory, Page 6.

Indonesia Military Backs East Timor Peace Accord

Climate Improved for Talks on Autonomy Vote

By Michael Richardson
International Herald Tribune

SINGAPORE — In a move to end a series of political killings in East Timor, the military chief of Indonesia, General Wiranto, said Wednesday that he would enforce a truce between warring East Timorese groups that was signed earlier in the day.

"I will take action in accordance with the law against whoever betrays the peace," he said in Dili, the capital of East Timor, after witnessing the signing of the truce between leaders of armed factions favoring and opposing independence for the disputed territory.

Diplomats in Jakarta said that the truce would create a favorable climate for talks between the Indonesian and Portuguese foreign ministers in New York on Thursday and Friday. They are hoping to finalize details of an Indonesian offer of wide-ranging autonomy for East Timor and how it is to be put to the people there.

In effect, the ballot, scheduled for July and to be organized and supervised by the United Nations, will be a choice between remaining part of Indonesia or becoming independent.

But the diplomats cautioned that the truce in East Timor remained fragile after the recent bloodshed, which included a rampage by pro-Jakarta militias in Dili over the weekend that killed as many as 30 people while troops and police officers stood by. Nearly all of the victims were civilians suspected of supporting independence.

[The violence continued Wednesday]

as five youths were killed within hours of the signing of the truce, Reuters reported. Quoting East Timorese resistance sources, Portugal's Lusa news agency said the five youths died near Liquica, where at least 25 people were killed in a

See TIMOR, Page 4

The Dollar			
New York	Wednesday 4 P.M.	previous close	
Euro	1.0602	1.0633	
Pound	1.6067	1.6106	
Yen	119.765	118.85	
DM	1.8438	1.8396	
FF	6.1836	6.1697	

The Dow			
	Wednesday close	percent change	
+132.87	10,581.42	+1.27%	
+29.95	1,336.12	+2.29%	
+76.65	2,488.29	+3.26%	

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Switzerland	12.00 CHF
Taiwan	NT\$ 100.00
U.S.	\$1.50
U.K.	£1.00
Zimbabwe	20.00 Z\$



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Family of Kosovars Finally Ends Long Exodus of Terror and Pain

"It was," he said, "paradise." But he also said that his Serbian neighbors

Later, Mr. Behrami lined up to receive a few unwrapped loaves.

The soldiers took him around the corner to a local outpost where the man who made the complaint against

The sun came out, and the air turned warm. Advam took from his pocket his own treasure, a set of marbles. He knelt down and shot one expertly, knocking another into a puddle. And there, at that moment, in the mud and waste, it appeared he had made a home from the fury of war.



Correction

An article in editions of Wednesday about the relationship between Prime Minister Benjamin Netanyahu of Israel and Ehud Barak, a challenger in the May 17 elections, misstated the year in which Mr. Barak led the storming of a Sabena jet hijacked by terrorists in Tel Aviv. It was 1972, not 1974.

An article in editions of Wednesday about the relationship between Prime Minister Benjamin Netanyahu of Israel and Ehud Barak, a challenger in the May 17 elections, misstated the year in which Mr. Barak led the storming of a Sabena jet hijacked by terrorists in Tel Aviv. It was 1972, not 1974.

Europe

	High	Low	High	Low
	Temp	Wind	Temp	Wind
Austria	20/10	14/52	20/10	14/52
Belgium	19/10	13/51	19/10	13/51
France	17/10	12/50	17/10	12/50
Germany	17/10	12/50	17/10	12/50
Italy	20/10	14/52	20/10	14/52
Spain	19/10	13/51	19/10	13/51
Sweden	16/10	11/50	16/10	11/50
Switzerland	19/10	13/51	19/10	13/51
United Kingdom	16/10	11/50	16/10	11/50
Poland	16/10	11/50	16/10	11/50
Czech Republic	16/10	11/50	16/10	11/50
Slovakia	16/10	11/50	16/10	11/50
Hungary	16/10	11/50	16/10	11/50
Romania	16/10	11/50	16/10	11/50
Bulgaria	16/10	11/50	16/10	11/50
Greece	16/10	11/50	16/10	11/50
Turkey	16/10	11/50	16/10	11/50
Portugal	16/10	11/50	16/10	11/50
Spain	16/10	11/50	16/10	11/50
France	16/10	11/50	16/10	11/50
Germany	16/10	11/50	16/10	11/50
Italy	16/10	11/50	16/10	11/50
Sweden	16/10	11/50	16/10	11/50
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Romania	16/10	11/50	16/10	11/50
Bulgaria	16/10	11/50	16/10	11/50
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Turkey	16/10	11/50	16/10	11/50
Portugal	16/10	11/50	16/10	11/50
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Greece	16/10	11/50	16/10	11/50
Turkey	16/10	11/50	16/10	11/50
Portugal	16/10	11/50	16/10	11/50
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Turkey	16/10	11/50	16/10	11/50
Portugal	16/10	11/50	16/10	11/50
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Poland	16/10	11/50	16/10	11/50
Czech Republic	16/10	11/50	16/10	11/50
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Hungary	16/10			

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THE AMERICAS

CIA Gleans Crucial Intelligence From Tidbits

By Vernon Loeb
Washington Post Service

WASHINGTON — As they fathom the depths of Chinese nuclear weapons design, trying to figure out whether stolen U.S. secrets helped China test a miniaturized warhead, CIA analysts are finding espionage Beijing-style to be maddeningly diffuse, but not altogether foreign.

Beijing's spymasters are said to gather secrets brought home by thousands of traveling government officials, students and businessmen.

The Central Intelligence Agency has its own operation, the National Resources Division, for collecting nuggets of information and bits of insight from American tourists, scholars and executives returning from overseas.

"Even during the Cold War," said Allen Thomson, a retired CIA scientist, "by far the most useful source of information about the details of matters in the USSR was the interagency émigré exploitation program coordinated by the CIA's Domestic Collection Division, later called the National Resources Division."

"Overhead photography was wonderful for some things, but there's a limit to what you can tell by looking down from several hundred miles up," Mr. Thomson said, "and classical espionage, despite its theoretical promise, came in a dead and distant last in terms of actual performance."

One irony, as a House select committee headed by Representative Christopher Cox, Republican of California, prepares to release an unclassified version of its report on technology transfers to China and Chinese espionage, is that the National Resources Division has been busy debriefing ex-

ecutives from U.S. satellite companies as they return from China about Beijing's missile capabilities and satellite needs.

During the Cold War, Mr. Thomson said, individual Soviet émigrés rarely provided intelligence blockbusters.

"But the little bits and pieces, patiently collected and collated," he said, "were of enormous value in understanding the Soviet Union."

Gary Smith, director of the Applied Physics Laboratory at Johns Hopkins University, is the newest "wizard" at the CIA, set to take over the agency's Directorate of Science and Technology this month.

The directorate is the CIA's "Q branch," the operation that dreams up, disguises and invents gadgets for far-flung spies.

But it is hardly the empire it was in the 1960s and early 1970s, when CIA scientists designed the agency's own spy satellites and CIA pilots flew U-2 reconnaissance missions.

"For a very significant period of time during the Cold War, it was really the most significant component of the intelligence community," said Jeffrey Richelson, an intelligence specialist who is writing "The Wizards of Langley," a book about the directorate.

But the directorate's mission has dwindled as other parts of the intelligence community more closely controlled by the Pentagon have grabbed pieces of its empire.

The U-2 program went to the air force in 1974, and the National Reconnaissance Office got rid of "Program B," a CIA management component, in 1992.

Four years later, the Pentagon created the Na-

tional Imagery and Mapping Agency, taking control of the CIA's National Photographic Interpretation Center, the operation responsible for analyzing aerial imagery.

Mr. Richelson called the CIA's removal from imagery analysis "a very unfortunate move — the whole intelligence community, and country, is worse off because of that."

Meanwhile, the director of the CIA, George Tenet, continuing to fight further disclosure of CIA budget information, asked a federal judge last week to dismiss a lawsuit filed by the Federation of American Scientists, which is seeking the disclosure of the 1999 budget request and Congress's appropriation for intelligence.

Having previously disclosed overall intelligence spending of \$26.6 billion in 1997 and \$26.7 billion in 1998, Mr. Tenet has refused further disclosure for the past year, arguing that releasing the 1999 total would damage national security by revealing spending trends of interest to foreign spies.

"Now is an especially critical and turbulent period for the intelligence budget," Mr. Tenet said, "and the continued secrecy of the fiscal year 1999 budget request and total appropriation is necessary for the protection of vulnerable intelligence capabilities."

Steven Aftergood, director of the Federation of American Scientists project on government secrecy, called Mr. Tenet's argument "silly and infuriating."

He has also filed a Freedom of Information Act request for the fiscal 2000 budget request. If that request is denied, he has promised to make it part of the lawsuit.



HONOR FOR KOHL — The former German chancellor, Helmut Kohl, hugging President Bill Clinton after he was awarded the Presidential Medal of Freedom at the White House for his many years of dealings with the United States.

Ending Independence, Radcliffe Joins Harvard

By Carey Goldberg
New York Times Service

CAMBRIDGE, Massachusetts — After more than 100 years of arm's-length interaction between the his-and-hers institutions at the pinnacle of academic prestige, Radcliffe College has agreed to be fully absorbed into Harvard University.

Radcliffe, which lost much of its initial mission as a women's annex when Harvard turned fully coeducational in the 1970s, is to be renamed the Radcliffe Institute for Advanced Study and expand its study of women and gender, among other subjects, bolstered by an infusion of \$150 million from Harvard, officials said Tuesday.

But the change in Radcliffe's status means it will give up its vestigial claims on undergraduate women at Harvard — it had still, technically, accepted their applications and put its seal on their diplomas, even though they studied at Harvard — and act as a center for scholarship much like a similar institute at Princeton University, officials said.

The move carried heavy symbolic weight. An institution long known as one of the foremost educators of women is to merge into the formerly all-male bastion with which it had a close but often-fractious partnership.

The hardest part of the negotiations on the merger, said Nancy-Beth Gordon Sheer, chairman of the Radcliffe College Board of Trustees, was "weighing the tremendous opportunities of moving in this direction against the meaningful nature of independence."

POLITICAL

Republicans May Add to Defense

WASHINGTON — Republicans in Congress, charging that President Bill Clinton has weakened the U.S. military, pledged to add billions of dollars for defense to his emergency request for funds to finance NATO's air strikes on Yugoslavia.

They are discussing doubling the president's \$6 billion emergency request and using the money to beef up the national arsenal. Some even talk of trying to triple the request, but say they doubt they can win the votes.

The Republicans say they will use hearings and debate in coming days to challenge Mr. Clinton's conduct as commander in chief, question the progress of the war and call for sharp increases in Pentagon spending.

The House majority leader, Dick Army, Republican of Texas, said Mr. Clinton had created a national security crisis by misusing the armed forces, and he suggested that Republicans might scale back plans for a huge tax cut, or cut domestic programs, to help pay for missiles, munitions and other military needs. (NYT)

Fallout of Pataki-Giuliani Feud

WASHINGTON — The tensions between Governor George Pataki of New York and Mayor Rudolph Giuliani of New York City are causing growing concern among Republican officials on Capitol Hill, many of whom want Mr. Giuliani to run for the U.S. Senate next year and are worried that the feud will hurt the party's chances of winning the seat, particularly if Hillary Rodham Clinton is the Democratic candidate.

Mr. Giuliani's main rival for the Republican nomination is Representative Rick Lazio of Suffolk County, who has been courting Mr. Pataki aggressively. Neither man has formally announced his candidacy, but many New York Republicans say Mr. Pataki's allies have been quietly helping Mr. Lazio build support. Aides to Mr. Pataki deny those assertions.

But in Washington, a large number of Republican officials and fund-raisers view Mr. Giuliani as the party's strongest candidate. (NYT)

Quote/Unquote

Hillary Rodham Clinton, during a campaign-style trip Tuesday into the heart of the Long Island, New York, suburbs that would be crucial to winning a race for Senate, discussing her failure to push Congress to enact sweeping national health care reform: "Clearly that approach did not work, and we're not going to try that again, rest assured." (NYT)

Away From Politics

• Rosa Parks, 86, the "first lady" of the civil rights movement, will receive a Congressional Gold Medal for an act of defiance more than 40 years ago, when she refused to give up her seat on a segregated Montgomery, Alabama, bus, and touched off a boycott. (AP)

• A former waitress at a Waffle House in Mobile, Alabama, Tonda Dickerson, who won a \$10 million jackpot with a lottery ticket left as a tip, has been ordered to share the money with four co-workers. The co-workers had also received lottery tickets as tips and testified that they and Mrs. Dickerson had a share-the-wealth plan. (AP)

• A judge in Oregon refused to give up state control of a baby born to an HIV-infected mother who wants to breast-feed. (AP)

• An Indiana drifter with a history of dabbling in Satanic rituals was charged in dual federal indictments with setting 10 church fires in Indiana and Georgia, including one last year in which a firefighter died. (NYT)



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NEW ORLEANS
NEW YORK
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SAN FRANCISCO
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ASIA/PACIFIC

ASEAN Struggles to Change Its Reputation as Weak, Helpless and Divided

By Michael Richardson
International Herald Tribune

SINGAPORE — Even as Southeast Asian countries prepare to complete their formal political unity this month with the admission of Cambodia as a member of the Association of South East Asian Nations, officials are calling for new steps to restore the group's credibility.

Weaknesses and tensions have been exposed in ASEAN as a result of its enlargement and the economic crisis in East Asia, officials and analysts say.

Some members of the group, notably the Philippines, Thailand and Indonesia, are raising human rights issues in other ASEAN countries that were previously regarded as strictly the internal affairs of the nation concerned.

For example, the first Asian politician to criticize the six-year prison term given last week to former Deputy Prime Minister Anwar Ibrahim of Malaysia on four corruption charges was President Joseph Estrada of the Philippines.

The economic crisis, and the popular demand for reform and a better deal for the poor, brought new governments with a stronger commitment to democracy to power in the Philippines, Thailand and Indonesia.

Analysts said that the Philippines and Thailand

— Southeast Asia's two most robust democracies — want to spread democratic principles more widely in ASEAN.

They said that Indonesia, under the weak but reformist government of President B.J. Habibie, wants to highlight its democratic credentials to get urgently needed international aid to help the country recover from its worst recession in more than 30 years.

Prime Minister Goh Chok Tong of Singapore warned during a recent visit to Brunei that ASEAN had lost much of its stature in the East Asian crisis.

"ASEAN as a group is being seen as helpless and, worse, disunited," he said. "In our summits in 1997 and 1998, we failed to convince the outside world that ASEAN was tackling the crisis with determination and decisiveness to regain its high growth."

ASEAN countries vary greatly in size, systems of government and levels of economic development. They include Brunei, Burma, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Burma, Laos and Vietnam — which shunned ASEAN during the Cold War — joined in the past few years and remain staunchly authoritarian.

The economic crisis and ASEAN's enlargement — which will be complete when Cambodia

joins at a special ceremony in Hanoi on April 30 — are both contributing to the group's tarnished image and current weakness, analysts said.

"Enlargement has increased ASEAN's political and economic diversity," wrote Koro Bessho, a Japanese Foreign Ministry official on loan to the International Institute for Strategic Studies in London, in a report published recently by the institute. "Given the organization's principle of consensus, this will make it hard to reach decisions."

Thai and Philippine officials said the tradition of noninterference in internal affairs had precluded any effective monitoring of financial and economic danger signs in member states before the crisis struck.

As a result, there was no early warning and possible prevention of the financial turmoil that spread from Thailand in July 1997 to other countries in the region.

Dewi Fortuna Anwar, a foreign affairs advisor to President Habibie of Indonesia, said last month that Southeast Asian countries had grown used to sweeping problems under the rug.

Citing widespread criticism of human rights abuses in Burma, and territorial disputes between association members that needed to be resolved urgently, she said that the time had come for ASEAN to consider "creating a real and ef-

fective crisis-management center through which the countries in the region may seek solutions to the problems" confronting them.

"ASEAN countries should start discussing security in all its aspects in a transparent, structured, and balanced manner," Ms. Anwar said. "The business-as-usual attitude, or ASEAN way of doing business, can no longer be maintained."

She added that recent strains in relations between Malaysia and Singapore, and Indonesia and Singapore, underlined the need for such a forum, saying that the Organization for Security and Cooperation in Europe might serve as a model.

Analysts said that some ASEAN countries were likely to see this proposal as a formula for further contention and would prefer instead to leave political issues on the back burner while concentrating on hastening Southeast Asia's economic integration.

Prime Minister Goh of Singapore said that the key to recovery was to regain investor confidence in the region.

"We must adopt practical measures and persuade the developed countries to be involved in helping ASEAN recover," he said. "One idea is for ASEAN as a whole to organize joint investment road shows to the United States, Europe and Japan to sell the region."

Mr. Goh said that this could be done late this year, after the Indonesian elections that officials of neighboring countries hope will help restore stability in ASEAN's largest member.

Mr. Goh said that the association should also encourage more business missions to the region from the major developed nations and that it should make sure that the right signals were sent to investors that ASEAN remained committed to economic liberalization and welcomed foreign capital.

Rodolfo Severino, the association secretary-general, told a conference in Canberra last week that by the beginning of 2000, the ASEAN Free Trade Area would be substantially in place, creating an increasingly barrier-free market of 500 million consumers to attract investors.

ASEAN finance ministers and central bankers are also meeting more frequently to improve surveillance of economic and financial policies in member countries, he said.

"What is little known is the fact that the ASEAN governments have begun to inform one another about their internal policies and reforms, and have exchanged views on them," Mr. Severino said. "This sharing of information is motivated not only by the heightened need for transparency; it is also a mechanism for intensified consultation."



Sonia Gandhi's political opponents holding a banner Wednesday reading, "Persons of foreign origin, go home!"

Sonia Gandhi Sees Support for Coalition Congress Party Leader Says It Has Enough Votes to Form a Government

By Celia W. Dugger
New York Times Service

NEW DELHI — Sonia Gandhi, the widowed, Italian-born heir to India's political dynasty, said Wednesday that the Congress (I) Party, which she leads, will form a minority government supported by more than a dozen other political parties, but declined to say whether she would be prime minister.

After she emerged from a half-hour meeting with India's president, a calm, businesslike Mrs. Gandhi claimed a Congress-led government now has the support of 272 members of Parliament, enough for a bare one-vote majority, and promised that she would give the president letters from allies to prove it within two days.

"We have 272 and we hope to get more," she said. "We are confident we will get more."

If she can deliver the votes, and that is still far from certain, the once dominant Congress Party, in ruinous decline over the past decade, would reclaim power from its main national rival, the Hindu nationalist Bharatiya Janata Party (BJP). The new government would be India's sixth since 1996.

Many analysts and some Congress Party members say that such a government, dependent for survival on a bickering, diverse set of regional, leftist and caste-based parties, would be shaky and likely to topple in short order, with the probable result of new national elections.

The Hindu nationalists led a fractious coalition that came undone last week and lost a confidence vote Saturday by a slim margin of 269 to 270. There are 545 members in the Lok Sabha, the lower house of Parliament, but two seats are vacant, which means that 272 is for now the magic number for a majority.

The year-old BJP-led government shocked the world last May by conducting underground nuclear tests. In recent months, it has defined itself with steps to try to further open India's economy to foreign investors, notably in the state-run insurance sector, to lower trade barriers, to cut food subsidies to people above the poverty line and to start a dialogue between Prime Minister Atal Bihari Vajpayee and Nawaz Sharif, the prime minister of Pakistan.

The rise of a Congress-led government, heavily dependent on support from splintered Communist parties, would probably slow down liberalization of the economy.

American diplomats say a Congress-led government would also be much less likely to sign the nuclear test ban treaty by the September deadline. In past years, Congress had taken the position that India should not sign the treaty until the major nuclear powers agreed to take definite steps to disarm their own nuclear stockpiles.

Since India conducted its nuclear tests, Foreign Minister Jaswant Singh and the U.S. deputy secretary of state, Strobe Talbott, have had eight rounds of arduous, painstaking talks that only recently seemed to be heading toward a successful conclusion, which in American eyes included India's signing the treaty.

Mr. Singh and Mr. Talbott have developed a close rapport in what the Americans describe as the most sustained, high-level talks between the United States and India since India gained its independence in 1947.

"We'll have to start all over again, or at least give the new government a while to sort itself out," a frustrated American diplomat said. "In the best case, it will take several months before we can get moving."

Despite Mrs. Gandhi's confident statements Wednesday, it was not clear who was providing the 272 votes she claimed to have. The opposition had only 270 votes on Saturday, and two small leftist parties with seven of those votes have vowed they will never support a Congress-led alliance.

The Congress Party may well be counting on defections from the Hindu nationalist-led coalition. By Wednesday, two members of Parliament had already switched sides, and a small party from the state of Kashmir with two votes was hinting that it may support a new government.

Arjun Singh, a Congress Party strategist and spokesman, said Tuesday that the "migratory birds" would only begin to roost in their new home once the voting season arrived. Mrs. Gandhi's remarks Wednesday may have been de-

signed to convince wavering parliamentarians who had been allied with the Hindu nationalists that they should hitch themselves to a new winning side.

As the battle for power inched closer to a conclusion, the tone of criticism from members of the Bharatiya Janata Party grew more shrill and bitter. Passage of the 1999-2000 budget, scheduled for adoption Wednesday by consensus of all political parties, was delayed because of disruptive, angry exchanges in Parliament.

Parliament had to be adjourned four times after irate members of the Hindu nationalist coalition stormed to the well and shouted that the Congress Party was trying to lure away the votes of members of their alliance with unfair "horse-trading."

Mrs. Gandhi tartly replied, "It is the habit of the BJP to accuse others of what they have been indulging in."

Congress Party leaders want Mrs.

Gandhi, the widow of one prime minister, Rajiv Gandhi, and the daughter-in-law of another, Indira Gandhi, to continue the dynastic reign, but she herself said Wednesday that any such decision was premature. "When the time comes, then we will see," she said.

Mrs. Gandhi, who only entered politics a year ago to head the founding Congress Party, has had little experience in the wheeling and dealing that will be required to hold together a new government. Nor, party officials say, does this very private woman have a strong appetite for politicking that could tarnish her image as a woman above the fray.

She may instead prefer to remain as the party's leader until national elections are held.

If Congress substantially improves the 140 or so members it now has in Parliament, she might then choose to become prime minister with a clearer mandate to govern.

BRIEFLY

Hong Kong Refuses to Admit 11 Exiles To Mark 10th Anniversary of Crackdown

HONG KONG — Immigration officials in Hong Kong have refused entry to 11 exiled mainland Chinese dissidents. Local activists here had invited the exiles to the region to commemorate the violent crackdown 10 years ago against students near Tiananmen Square in Beijing.

A government statement issued Wednesday said the applications had been "carefully considered with our established immigration policies and procedure," as well as on their own merits.

Officials could not comment on individual cases, the statement said. Hundreds of activists were killed when Beijing ordered troops into the capital to restore order. Many were thrown into prison after the crackdown.

Activists of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China had invited the exiles — including prominent former student leaders such as Wang Dan, who is based in Boston — to mark the anniversary of the bloody incident on June 4, 1989.

The activist group, which Beijing has labeled a subversive organization, has been organizing annual fund raisers, marches and vigils. (AP)

Direct U.S. Food Aid Offered North Korea

UNITED NATIONS, New York — The United States is offering its first direct aid to North Korea, promising tons of wheat and seeds to the famine-stricken country, the UN World Food Program said Wednesday.

Washington's first direct agreement between the two countries will provide about 100,000 tons of food aid, primarily wheat, and about 1,000 tons of potato seeds through U.S. nongovernmental organizations, said Abby Spring, spokeswoman for the UN agency.

The United States traditionally has sent hundreds of thousands of tons of food to North Korea through the World Food Program and other international organizations.

The first direct shipment, of potato seeds, is expected to take place in May. A small portion of the food aid will be borrowed from UN food stocks, a UN spokesman said.

The food and seeds are part of a deal reached in March between the United States and North Korea to give U.S. inspectors access to an underground complex Washington suspects of being a nuclear weapons site.

The United States told North Korea it was willing to demonstrate what an improvement in relations would look like by helping Pyongyang develop a pilot project to increase potato production and by providing food aid, a State Department official said. (AP)

Afghan City Captured, Taliban Foes Say

KABUL — Afghanistan's beleaguered opposition claimed Wednesday to have captured the capital of central Bamian Province from the Taliban militia.

"I am inside the city and we are in complete control," said Haji Mohammad Mohaqiq, leader of the opposition alliance's Shiite Muslim partner, Hezb-i-Wahadat. He spoke in a satellite telephone interview from Bamian.

The Taliban denied defeat at Bamian, the headquarters of the Hezb-i-Wahadat until the Taliban seized the city last year. The city, famous for its giant standing Buddhas, is strategic because of its proximity to Kabul, 100 kilometers (60 miles) to the east.

Fighting around Bamian has been intense in recent days, with hundreds of refugees fleeing for Kabul. Residents reported heavy bombing by Taliban jets, an opposition spokesman said. (AP)

Explosives Ruled Out in China Jet Crash

BEIJING — Investigators searching through the wreckage of a Korean Air cargo jet that crashed last week near Shanghai, killing eight people, have ruled out explosives as the cause, officials said Wednesday.

They said that the investigators — from China, South Korea and the United States — had also established that the MD-11's radar and weather protection equipment and the traffic control situation were all normal at the time of the crash.

But rescue workers have found only fragments of the flight data recorder, or "black box," which might have contained vital information on the last moments of the aircraft's flight. (AFP)

For the Record

Pakistan's election commissioner will take evidence Saturday in a move toward ousting Benazir Bhutto, the former prime minister, and her husband from Parliament, officials said Wednesday. Both have been convicted on corruption charges and sentenced to five years in prison each. Miss Bhutto, now in London, is unlikely to appear in person. (AFP)

Visit by British Royals Gives Fillip to Seoul

By Don Kirk
International Herald Tribune

PANMUNJOM, Korea — Prince Philip of Britain received the standard tourist's briefing Wednesday as he gazed upon the desolate brown hills of North Korea from a guard post overlooking this truce village in the demilitarized zone that has divided North and South since the Korean War.

"That's the actual boundary between North and South Korea," Lieutenant Colonel James Nixon, commander of a battalion of U.S. and South Korean troops guarding their side of the line, told the prince as he gazed at rows of barbed wire. Down the slope from the guardpost, the prince, like thousands of tourists before him, stepped across the line into North Korea during a quick visit to the one-room building astride the North-South line where negotiators have exchanged

verbal brickbats since the signing of the Korean War armistice in July 1953.

Prince Philip's sortie to the demilitarized zone marked a diversion from a state visit in which he and Queen Elizabeth II have provided the South with the kind of support its leaders most crave — a show of endorsement for their seeming success in recovering from the depths of economic crisis.

While the prince was looking toward the North, the Queen was observing her 73d birthday in an ancient village about 250 kilometers (150 miles) southeast of Seoul. Hundreds of villagers greeted her before she sampled a local version of kimchi, the spicy pickled vegetable that is a staple of the Korean diet, and watched a traditional mask dance.

Beneath the symbolism of the tour is a commercial purpose that Seoul officials view as an integral part of their efforts at persuading the world of

their country's economic viability.

"They seem to have done a remarkable job with their economy," the queen remarked at a reception shortly after arriving here Monday. She hesitated when asked if the trip might be construed as a pat on the back for President Kim Dae Jung but she agreed that Koreans "might see it that way."

In fact, Seoul officials view the visit, the first by a British monarch, as a coup that has temporarily silenced leaders of the opposition party that Mr. Kim defeated in his fourth bid for the presidency in December 1997.

"The queen's visit has brought multifaceted consequences," said Lee Ho Jin, spokesman for the Ministry of Foreign Affairs and Trade, largely responsible for arranging the four-day mission here. "It has not only brought a very good understanding about Korea's economy but may also have built up international confidence."

TIMOR: Indonesian Military Pledges to Enforce New Peace Pact

Continued from Page 1

church massacre this month.]

The diplomats also said there were doubts that the military on the ground in East Timor would be able or willing to disarm the two sides, especially pro-Indonesian militias that are known to have close ties with the security forces.

The pro-independence guerrilla leader Xanana Gusman signed the cease-fire agreement in Jakarta, where he is under house arrest.

It was signed in Dili by Domingos Soares on behalf of pro-Jakarta militias at the home of East Timor's spiritual leader and Nobel Peace laureate, Bishop Carlos Belo.

The Catholic bishop, working closely with the newly formed East Timor National Commission on Human Rights, is expected to resume reconciliation talks in the next few days between East Timorese rival factions. He suspended the talks because of the recent bloodshed.

Indonesia invaded East Timor, a former Portuguese colony, in 1975 and annexed it the next year. The takeover was never recognized by the United Nations, creating a chronic foreign-policy problem for Jakarta that was aggravated by frequent reports of human-rights abuses by Indonesian security forces.

Indonesia is reported to have about 15,000 troops in the territory, and the military has suffered hundreds of casualties in fighting since 1975.

Analysts say some influential groups in the armed forces believe that if East Timor is allowed to become independent, something President B.J. Habibie says will be considered if autonomy is rejected, it would be a hard blow to national unity and military prestige.

Shortly before the truce was signed Wednesday, Foreign Minister Alexander Downer of Australia said in an interview with a Melbourne radio station

that some elements of the armed forces had been "aiding and abetting" the anti-independence militias in the territory and "turning a blind eye" to some of their activities.

Still, the brutal excesses of the militias in East Timor and the international condemnation of their actions by the United States, European Union members and others providing vital aid to Indonesia appear to have strengthened the hand of Mr. Habibie and moderate military leaders such as General Wiranto.

Mr. Habibie has pledged to honor his

offer of autonomy or independence for East Timor despite recent violence. Australian newspapers reported Wednesday.

Mr. Habibie told a group of Australian editors visiting Jakarta that he had proposed that five nations — Australia, the United States, Japan, the Philippines, and Germany representing the European Union — should coordinate preparations for the UN-supervised ballot.

In a separate move to ease simmering regional tensions, Parliament passed a bill Wednesday giving provinces more autonomy.



A student in Jakarta protesting Wednesday against widespread violence.

EUROPE/INTERNATIONAL

Fingerpointing in El Al Crash

Finding of Laxity Is Said to Focus on 2 Dutch Officials

AMSTERDAM — A parliamentary inquiry into the Netherlands' worst air disaster implicates the government of Prime Minister Wim Kok and sharply criticizes Health Minister Els Borst for her role in the fiery 1992 crash, a newspaper reported Wednesday.

A 350-page report written by the parliamentary commission, to be released publicly Tuesday, says the response from the entire government was slow and insufficient but singles out Ms. Borst and other health service officials, said the daily De Telegraaf, which obtained a copy.

Former Transport Minister Annemarie Jorritsma is less harshly criticized in the report, De Telegraaf said. A spokesman for the parliamentary commission declined to comment on the newspaper's account.

In its report, De Telegraaf quoted a source as saying: "Jorritsma's work was also messy and she will be firmly dealt with, but Borst was of another caliber. Her work involved human lives."

The paper did not identify the source but described the person as "very closely involved" in the investigation.

The inquiry report follows 10 weeks of hearings into the October 1992 crash of the El Al Boeing 747-200 cargo jet that smashed into an Amsterdam apartment building shortly after takeoff for Tel Aviv, killing at least 43 people and injuring dozens.

The real toll from the crash and the ensuing inferno may never be known because many residents of the southern Amsterdam neighborhood, Bijlmer, were illegal, unregistered immigrants.

In the almost seven years since the disaster, rescue workers and hundreds of residents of Bijlmer have reported chronic health complaints ranging from neurological disorders to nausea. The illnesses have been linked to the plane and its cargo.

Last year, a Dutch newspaper discovered freight papers that listed DMMP, a com-

ponent of sarin nerve gas, in the cargo. Israel confirmed the shipment of 190 liters (50 gallons) of DMMP, but said the material was nonlethal and was to have been used to test filters that protect against chemical weapons.

Debate has also raged over the health implications of exposure to depleted uranium, which was used as wing-ballast in the aircraft. Only 152 kilograms (about 335 pounds) of the 282 kilograms of the uranium on board were recovered after the crash and fire. Depleted uranium burns at high temperatures and can get into the air as dangerous dust.

The report says that an earlier reaction by the government to health complaints from survivors could have prevented a worsening of their symptoms, De Telegraaf said.

The newspaper added that the report contains accusations that reach Mr. Kok, who took office two years after the crash. The prime minister admitted during his testimony that the government had met only five times to discuss the crash.

The newspaper said the lack of coordination by the government also hampered efforts to obtain documentation about the cargo, which was still largely unknown when the inquiry started this year.

Mr. Kok testified in March that El Al had mislabeled the cargo.

Dutch politicians initially said the plane had been transporting flowers and perfume, but it was later revealed that the cargo included military equipment. It was not until last year that Israel confirmed that DMMP had been part of the cargo.

"There should have been close cooperation," De Telegraaf quoted its source as saying. "Jorritsma did a poor job with the cargo documentation and Borst failed to take action because she was waiting for those papers. That is unacceptable, but who should take the blame is up to Parliament."

Parliament is set to debate the report's findings in late May. (AP, Reuters)



RED HOT SQUARE — Municipal workers, foreground, in Moscow on the first warm day after a bitter winter. The temperature reached 20 centigrade.

BRIEFLY

Russian Vote Backs Prosecutor

MOSCOW — Russia's upper house of Parliament voted Wednesday to keep the country's top prosecutor in his post, dealing another blow to President Boris Yeltsin, who has been trying to oust him for months.

After a rancorous, all-day session, the upper house, the Federation Council, voted 79-61 to allow Prosecutor General Yuri Skuratov to keep his job. The house is the only body authorized to fire the prosecutor general.

Mr. Skuratov has been investigating alleged bribe-taking by Kremlin officials. Kremlin officials and the company have denied any wrongdoing, and no one has been charged.

Mr. Yeltsin argued that Mr. Skuratov should be fired on moral grounds after the release of a videotape allegedly showing the prosecutor having sex with two prostitutes. (AP)

Tajiks Suspect Hijacking Prank

MOSCOW — Authorities were trying to determine Wednesday whether a Tajik airliner had been hijacked or whether a passenger was just playing a prank.

The Tajikistan Airlines flight, en route from Dushanbe in Central Asia to Moscow, landed in the central Russian city of Samara after the flight crew radioed that the plane had been hijacked, officials said. Crew members said they were given a note saying the plane had been wired with explosives and they had been ordered to fly to Iran.

But after the plane landed at Samara, all of the 136 passengers and crew members left the Tupolev 154. When security forces searched the plane, they found it was empty. Officials were taking handwriting samples to see whether a passenger had written the hijacking note. (AP)

Danes Challenged on Can Ban

BRUSSELS — The European Commission on Wednesday said it would take Denmark before the European Court of Justice over the country's ban on canned drinks.

The decision was made after Copenhagen refused last year to change the law on drinks packaging. Currently, Denmark demands that domestically made drinks be sold only in reusable bottles. (AFP)

Holbrooke Faces 2d Inquiry, This Time Over Speech Fees

Probe Covers His Time as Special Balkans Envoy

By Philip Shenon
New York Times Service

WASHINGTON — The State Department inspector general has opened a new investigation of Richard Holbrooke, President Bill Clinton's nominee as chief U.S. diplomat to the United Nations, and is examining whether he improperly accepted thousands of dollars for making speeches about the Balkans when he was a special envoy to the region.

Government officials said the new inquiry could further delay Senate confirmation hearings for Mr. Holbrooke, whose nomination was held up for nearly eight months by an ethics investigation by the Justice Department and the State Department. That inquiry ended in February, when Mr. Holbrooke agreed to pay \$5,000 to settle civil charges that he had violated lobbying laws in his contacts with the U.S. Embassy in South Korea after having resigned from the State Department.

The latest inquiry was prompted by the publication in March of an opinion piece in The Washington Post by Philip Christenson, a former congressional official, government officials said. Mr. Christenson questioned whether it was right for Mr. Holbrooke and other part-time envoys to receive money for speeches related to their government work.

After the State Department formally named Mr. Holbrooke as an unpaid special envoy for

the Balkans in October, he continued to collect speaking fees.

In November, he delivered a speech at Stanford University, for which he was paid \$16,000. According to an article in the university newspaper, Mr. Holbrooke used the speech to discuss his work in trying to negotiate a peace agreement in Kosovo.

He gave at least two other paid speeches after his appointment as a special envoy, to the Sintonics electronics company for \$24,000 in October and to PepsiCo for \$20,000 in December. Their topics could not be determined.

The question for the State Department inspector general, Jacquelyn Williams-Bridgers, is whether the acceptance of the speaking fees violates federal ethics rules that bar government employees, including special envoys, from accepting outside compensation "that relates to the employee's official duties."

Mr. Holbrooke said through a spokeswoman that he had no comment on the inquiry.

According to recent disclosure statements filed by Mr. Holbrooke with the government Ethics Office, he received \$205,000 in speaking fees last year, in addition to his \$1,153,000 salary as an investment banker.

He also received \$166,000 in advances for his book "To End a War," about his work at the State Department in 1995 to stop the war in Bosnia. He resigned from the State Department in 1996.

5 Killed in Jamaica Protests Sparked by Fuel-Price Rise

Compiled by Our Staff From Dispatches

KINGSTON, Jamaica — Demonstrations against a sharp increase in gasoline prices showed no signs of abating Wednesday as the death toll from violent protests rose to five.

One of the victims, a 28-year-old woman, was shot and killed by a private security guard who was fending off looters.

Four other people suffering from gunshot wounds died within 24 hours at Kingston Public Hospital.

The demonstrations started at the end of last week, with crowds looting stores and stoning motorists.

On Wednesday, protesters set up flaming barricades in the streets of Kingston, and the opposition Jamaica Labour Party was planning a march in the capital.

The army has been deployed to prevent unrest, and reservists have been ordered to report to their barracks. Scores of people have been arrested.

A representative of Kingston Public Hospital said the hospital had admitted 23 people in the past 24 hours, most of them suffering from gunshot wounds and some in critical condition, including a police officer who was shot in the face Monday.

An overnight curfew failed to halt the protests, which have already affected tourism to the Caribbean island.

Air Jamaica said four of its scheduled flights from Florida to Jamaica would go ahead Wednesday, but it can-

celed two scheduled nighttime flights because of the unrest. American Airlines said it had canceled all flights to Kingston.

British Airways canceled a flight from London to Kingston on Tuesday on the advice of the British High Commission, the airline said. No flight was scheduled for Wednesday, and a decision was to be made later on whether the flight scheduled for Thursday would depart.

The U.S. Embassy was closed, and American resi-

dents and tourists were warned to stay home or in their hotels. Cruise-ship passengers were told to stay out of the northern resort town of Ocho Rios, and some hotels in Montego Bay reported that tourists were unable to reach the airport.

The protests were sparked by the government's decision to increase gasoline taxes, which caused prices to rise from \$1.55 a gallon to \$2. The demonstrators also oppose a 30 percent increase in the cost of licensing vehicles. (AP, Reuters)

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INTERNATIONAL

When Children Kill: The Big 'Why?'

The Associated Press

The tragedy unfolded in images that have become eerily familiar: Panicked groups running for cover, sobbing teenagers telling how they dodged the bullets, distraught parents clutching at one another for comfort.

Underneath, a question as chilling as the scenes of televised misery: Why are America's schools turning into killing fields?

"Anybody who has children, anybody who doesn't have children should be frightened about what this does in a society where we have so many things and so much, and yet we can create monsters that can go in and shoot 25 peers," said Gary LeGagnoux, a teacher and psychologist at the University of California at Los Angeles.

In October 1997, when a 16-year-old boy in Pearl, Mississippi, was accused of killing his mother and shooting nine students, two fatally, at his high school, the killings were a stunning anomaly.

By Tuesday, when two trench-coated young men swept through their high

school in Littleton, Colorado, slaying 13, the phenomenon of students killing students seemed far less abnormal.

Springfield, Oregon; Jonesboro, Arkansas; West Paducah, Kentucky — five mass shootings at schools in two years.

Experts do not have one answer for what is behind the shootings; they have many. Lack of supervision, accessible guns, permissive or absent parents, school officials who fail to act on warning signs, a culture redolent with violence — all are cited as contributing factors.

"These kids have never learned how to solve problems," said Bill Reisman, a criminologist who has advised officials at several school districts where there were earlier shootings. "They have an instant answer, and that's a gun."

Increasingly, the shootings are suicide missions, as seems to have been the case Tuesday, he said.

"Most of them believe that death is now the solution, and in order to get the maximum amount of attention they do

these bizarre, heinous crimes," Mr. Reisman said.

"Violent movies and music can add fuel to a fire," he added, but "we can't blame things. People are responsible."

Underpinning those problems is a society in which family and community ties are unraveling.

"It used to be when I was a kid, if I did something wrong down the street, before I got home that neighbor would have called my parents," Mr. Reisman said. "These days they're afraid they're going to get sued."

Peter Blauvelt, president of the National Alliance for Safe Schools, a consulting firm, said it was nearly impossible to find immediate answers to a tragedy like the one in Littleton, a suburb of Denver.

"I think one of the things we are suffering from is trying to rationalize what was really an irrational act," Mr. Blauvelt said. "This is a huge tragedy with a tremendous amount of ramifications in the United States, and the whole world for that matter."

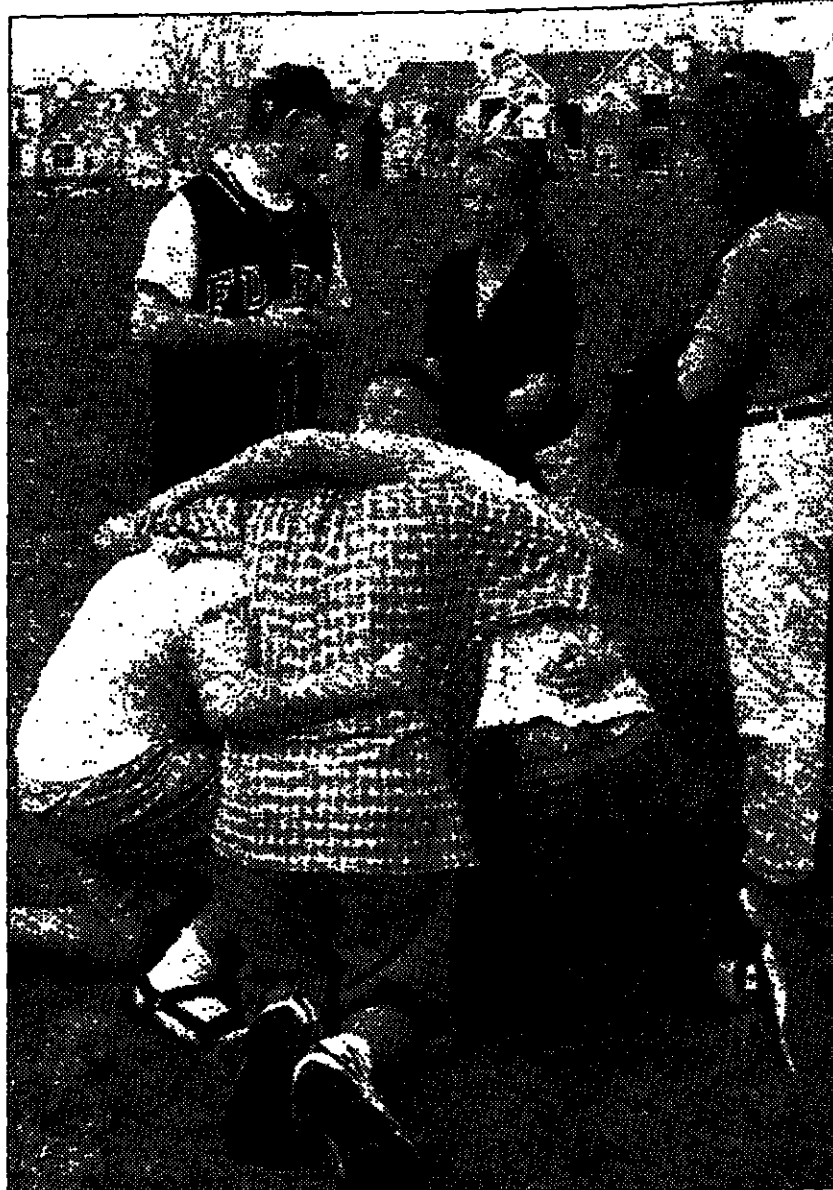
But Mr. Blauvelt said steps could be taken, such as keeping a closer eye on class misbehavior and listening to students.

In the latest shootings, students said the gunmen apparently belonged to a clique of outcasts who wore long black trench coats, boasted of owning guns and disliked blacks, Hispanics and athletes.

"My guess is that there was conversation between and among kids about what was going to happen," Mr. Blauvelt said. "And no one listened to it."

Mr. Reisman had the same advice for school officials: Pay attention.

"You're going to have a lot more," he said. "I was involved in Pearl. Every time, this has escalated. The kids have learned from the previous one."



Students at Columbine High School kneeling in a circle after they escaped.

A Rogue's Gallery at Schools

The Associated Press

Other recent shootings involving schools:

May 21, 1998: Two teen-agers are killed and more than 20 people wounded when a 15-year-old boy opens fire at high school in Springfield, Oregon. His parents are killed at their home. He is awaiting trial. "I had no other choice," he told the police.

May 19, 1998: Three days before his graduation, an 18-year-old honor student opens fire in a parking lot at a high school in Fayetteville, Tennessee, killing a classmate who was dating his former girlfriend. He is awaiting trial.

April 24, 1998: A science teacher is shot and killed in front of students at an eighth-grade dance at a banquet hall in Edinboro, Pennsylvania. A 14-year-old student awaits trial. The motive is unclear.

March 24, 1998: Four girls and a teacher are shot and killed and 10 people wounded at a middle school in

Jonesboro, Arkansas, when two boys, 11 and 13, open fire from the woods. The police have not suggested a motive. Both suspects have been convicted in juvenile court of murder and can be held up to age 21.

Dec. 1, 1997: Three students are killed and five others wounded at a high school in West Paducah, Kentucky. One girl is left paralyzed. A 14-year-old student pleads guilty but mentally ill to murder and is serving life in prison. When asked why he did it, he said he did not know.

Oct. 1, 1997: A 16-year-old boy in Pearl, Mississippi, is accused of killing his mother, then going to his high school and shooting nine students, two fatally. He has been sentenced to life in prison. The alleged mastermind of the attack awaits trial.

March 13, 1996: Thomas Hamilton used four legally owned handguns to kill 16 kindergarten children and their teacher in Dunblane, Scotland, before killing himself.

Shooters Belonged to Clique of Outcasts

By Marc Fisher

Washington Post Service

The shooters who turned Columbine High School into an unspeakable landscape of carnage were members of a small clique of outcasts who always

wore black trench coats and spent their entire adolescence deep inside the morose subculture of Gothic fantasy, their fellow students said.

Students at the Littleton, Colorado, school said the boys, whom police say turned their weapons on themselves after killing 15 of their schoolmates and teachers, were a constant target of derision for at least four years.

"They're basically outcasts, Gothic people," said Peter Maher, a junior who had a confrontation last July 4 with the shooters and several other members of the "Trench Coat Mafia," the black-clad teenagers' name for their clique. "They're into anarchy. They're white supremacists and they're into Nostradamus stuff and Doomsday."

Several students said the shooters, identified as Eric Harris and Dylan Klebold, were deeply into death, talking, reading and dreaming about it.

"Black trench coats are a consistent theme in the Gothic subculture that has attracted many teenagers to the poetry, music and costumes of a scene that ranges from benign fantasy to violent reality."

Inspired by fantasy games such as Dungeons and Dragons, Gothic has become a fascination of many American high schoolers, some of whom simply dress and paint their fingernails black while others immerse themselves in a pseudo-medieval world of dark images.

On Web sites featuring poetry called "The Written Work of the Trenchcoat"

and in political tracts and other elements of the conspiratorial imagination, trench coats serve as a symbol for things from Hitler and the Nazis to mass murder to suicidal fantasies. Tuesday was Hitler's birthday, an occasion for demonstrations, mock funerals and other macabre commemorations among both neo-Nazis and parts of the Gothic scene.

When the young men started shooting Tuesday, a 10th-grader, Mindy Pollock, was in the school parking lot. She saw two shooters firing their guns repeatedly, and she watched as her fellow students dropped to the pavement.

She said she could not believe that it was real, even if she had had a hint of possible violence once from one of the same boys. "The one with the handgun today pulled a shotgun on my friends once. He said he was sick of being made fun of," she said. "He said, 'I'll shoot you. I'll shoot you.' She said her friends tried to calm the boy and then ran from him."

Several students said the Trench Coat Mafia members wore their coats every day, no matter the weather, even in class. They dressed in black from head to toe — military berets, T-shirts, jeans, combat boots. Red shoelaces and the occasional Confederate flag patch were the only departure from the dark theme.

Students described the Trench Coat Mafia as a group of perhaps six to 10 students who were constantly being ribbed by the school's athletes and other, more popular cliques.

STUDENTS: 'I Saw a Kid on the Ground and He Couldn't Move'

Continued from Page 1

warming up, doing scales, an ordinary, routine, do-re-mi beginning to class.

A boy suddenly burst into the room, hysterical, saying something about a gunman, about shooting in the cafeteria.

Was it a joke? No — there were people running in the hallway. There were people screaming. From the cafeteria below came the sound of gunfire.

The students had to hide. Kami Vest was one of them. A senior, she went into the tiny office of the choir room, and so did her cousin, Kendra Curry, and eventually 60 students had crammed themselves into the room. They barricaded the door with two desks and a filing cabinet.

There were explosions below. "You could feel it through the floor," Kami said. "Huge vibrations. Almost like it would be a small earthquake. Everything was shaking."

They were crying, praying. They didn't want to make any noise. Then they heard seven more shots.

"That's when everyone started panicking again," said Kendra, another senior. "There were a lot of people hyperventilating, and a lot of people were like zombies, they didn't say anything, they were in complete shock. I was in shock. I didn't believe it was happening. It was like I was in a dream."

Even as the rampage was taking place, terrified students used their cellular telephones to make calls to parents and to television stations. One student hiding under a desk gave a play-by-play. The gunmen were downstairs, killing people. "I'm just staying underneath this desk," he whispered. "I'm staying up here."

Another gave an eyewitness report: "They have masks on. They're wearing black masks."

In the office of the choir room, the heat became oppressive. Some students began to faint. Several had asthma attacks.

Kami Vest: "We were all standing shoulder to shoulder. It got so hot in there that people were starting to pass

out. We took the panels off the ceiling so we could get more air in."

The room held a single telephone, but the students were unable to reach 911, possibly because that option had been disabled to stop students from making prank calls. But eventually a student reached a family acquaintance who worked in law enforcement. That person relayed the location of the trapped students to the SWAT team.

The parents raced to the school. Kami Vest's parents, Kristie and Dale, found themselves behind a yellow police tape at nearby Leaman Elementary School.

"They are just all hiding," Kristie Vest said, waiting. "She said she's O.K., hiding. They were told not to make any more phone calls."

About 2:45 P.M., after three hours in the office, the students in the choir room heard an officer outside the door.

Kendra said the officer announced, "This is the Denver police." He told them to come out in groups of 10.

"Get down on the ground; these people are still in the building," the officer said.

The killers went to the library, their last stop.

Students were hiding under the desks, but the gunmen found them. Joshua Lapp, a sophomore, told reporters: "They were laughing about it. They'd shoot somebody, they'd laugh, they'd giggle, you'd hear a shot go off, you'd hear someone yell and scream, another shot go off and they'd yell and scream, another shot and there would be silence."

A traumatized girl, unidentified, wept uncontrollably as she described on television what happened: "He came into the library and shot everybody around me. Then he put a gun to my head and asked if we all wanted to die and that he was going to kill us if we were of color ... and if we played sports. I just started screaming and crying and telling him not to shoot me and so he just shot the girl in the head in front of me, and then he shot the black kid because he was black. And he shot him in the face."

Eventually the two gunmen were dead, having turned their weapons on themselves, the police said. In the library, surrounding the bodies of the attackers, were the bodies of 10 of their victims. "It appears to be a suicide mission," Sheriff John Stone said.

Kimberly Lorenz, a senior, hid with a dozen students and a teacher in a cramped equipment room. Finally someone banged on the door, the police.

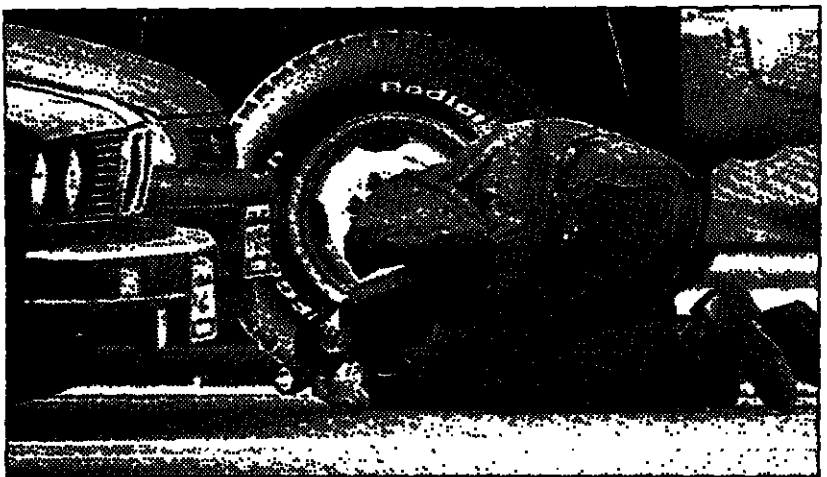
"They told us to unlock the door and put our hands above our heads," Kimberly said. "It was scary, because it was like a whole SWAT team. They told us to turn around and get on our knees and put our hands over our head. Then they told each one of us, one at a time, to stand up, and patted us all down to make sure we weren't carrying any weapons."

The students and teachers were herded from the building in small groups.

They were told to keep their hands on their heads, as though they were all suspects. They were frisked, questioned, and offered medical care. Then they were bused to the Leaman school to be reunited with their families.

The tension did not easily break. Twenty-three students were in the hospital, 11 in critical or serious condition. Authorities said that 15 people, including the gunmen, were dead. Police handcuffed and led away a student believed to be a friend of the gunman.

At 6:15 in the evening, police found an explosive device in a car in the school parking lot. They feared there might still be bombs all over the building.



An agent of the Colorado Bureau of Investigation checking cars for explosives in the parking lot at Columbine High School on Wednesday.

SCHOOL: Slaying of 15 Shocks Americans

Continued from Page 1

a relatively quiet year in American schools. The death toll made it the worst school attack in U.S. history. In a March 1996 attack in Dunblane, Scotland, 16 children, their teacher and the gunman were killed.

In Littleton, the police said they had made no arrests and filed no charges. "There is no reason to believe there were any suspects other than those who are dead," said Steve Davis, a deputy in the Jefferson County sheriff's department.

But John Stone, the Jefferson County sheriff, said that it appeared "very possible" that others had helped prepare the attack, which was far more elaborate than those at schools in other states last year that left dozens of students dead or wounded.

Following the carnage, about 30 explosive devices were found in the school, in the gunmen's vehicles parked nearby, and at their homes, Mr. Stone said on CNN. Some were rigged as booby traps.

"That much firepower and explosive devices and ammunition shows certainly quite a bit of planning," said Mr. Davis, the deputy.

It was not known where the two had obtained the weapons, but the authorities said that the bomb ingredients were readily available at local stores and bomb-making instructions can be found on the Internet.

Hours after SWAT teams, part of a

force of more than 200 police, fire and rescue officials who converged on the area, finally cleared surviving students from the school and found the suspects dead in the library, a time bomb exploded, damaging the car of one of the gunmen.

Because of the residual danger, investigators were proceeding with extreme caution. As of midday Wednesday, all 15 bodies were still in the school.

Many of the dead, the police said, were found sprawled or curled under desks or in closets where they had sought to hide. Other people in the school had survived by using desks, chairs or filing cabinets to barricade themselves in rooms.

Some fearful parents, their hopes nearly gone, had yet to hear official confirmation of their children's fate. Family members gathered at a nearby elementary school in bleak uncertainty.

At a nearby church, 1,500 students and family members assembled for prayers or to speak to crisis counselors.

Many students said they were aware of the trench coat group and were not surprised that its members were involved in the attack.

One fellow student, Brooks Brown, told a television interviewer that Mr. Harris, whom he described as an acquaintance, had skipped a test Tuesday, and that when Mr. Brown asked him about it later, Mr. Harris said, "It doesn't matter any more."

He said Mr. Harris then told him: "Brooks, I like you, I like you. Now go home, get out of here."

China Stole U.S. Secrets, New Study Concludes

By James Risen and Jeff Gerth

New York Times Service

WASHINGTON — A comprehensive new analysis by U.S. intelligence officials has concluded that China stole design information related to the United States' most advanced nuclear warhead from a government nuclear weapons laboratory, government officials said.

The intelligence report was expected to be presented to the Clinton administration and Congress on Wednesday. Previously, the White House, citing other intelligence reports, had said that the evidence of Chinese atomic espionage was less conclusive.

"Although Energy Department officials have raised alarms about evidence of Chinese espionage at the national weapons labs since 1996, a 1997 report by the CIA was used by the White House to downplay the Energy officials' conclusions in the matter, officials said. President Bill Clinton also said as recently as last month, 'It is my understanding that the investigation has not yet determined for sure that espionage occurred.'"

In the new assessment, the intelligence community reports on damage done to national security from what it says is Chinese nuclear spying.

The report examines a key finding of a select congressional committee that has investigated allegations of illicit transfers of high technology to China.

That committee, led by Representative Christopher Cox, a California Republican, embraced the findings of Energy Department intelligence analysts who had concluded that China stole design data from the W-88 warhead from the Los Alamos laboratory in New Mexico in the 1980s and that the theft was critical to Beijing's development of a modern, miniaturized nuclear warhead.

U.S. officials said that the new intelligence analysis includes a broad examination of the development of China's nuclear weapons capabilities over the last few decades.

It determined that Beijing benefited from espionage through the theft of W-88 design data from Los Alamos. But it also found that China obtained some sensitive nuclear data from nonsecret sources, including academic exchanges, and inadvertent leaks of information by scientists.

The new study comes in the midst of a furor over the administration's early response to reports of Chinese atomic espionage. Energy Department intelligence analysts initially detected the theft in 1995, and senior White House officials, including Samuel (Sandy) Berger, now the national security adviser, were first briefed on the matter in April 1996.

But the White House did not move to increase security at the national laboratories until nearly two years later. After receiving more detailed evidence of Chinese spying in the summer of 1997, the National Security Council sought a quick, narrowly focused analysis from the CIA and used it to cast doubt on the troubling conclusions reached by Energy Department analysts, officials said.

Gary Samore, a senior council official, relied on that CIA analysis in September 1997 as the basis for his report to Mr. Berger that the evidence of Chinese espionage was less conclusive than the Energy Department had said, a White House official said.

At the time, Mr. Samore and Mr. Berger were deeply involved in planning the agenda of a U.S.-Chinese summit meeting in which relations between the two countries were improved.

In recent weeks, the White House, itself has examined whether Mr. Samore accurately portrayed for Mr. Berger the findings of the 1997 reports from the CIA and Energy Department, officials said. Mr. Berger has been told that Mr. Samore overstated the degree to which the CIA 1997 analysis cast doubt on the Energy Department findings, according to an administration official.

A National Security Council spokesman, David Leavy, said Mr. Berger had the utmost confidence in Mr. Samore's abilities, but he declined to discuss the nature of the discussions between the two men in 1997.

"The NSC, from Mr. Berger on down, viewed this as a very serious matter then, and we view it as a very serious matter now," Mr. Leavy said. "Mr. Berger believes Gary Samore is an enormously dedicated professional who has spent his entire career on non-proliferation issues and enhancing the security of the American people, and whose integrity is unquestioned."

But senior intelligence officials now say that, while there were differences, the 1997 CIA and Energy Department reports came to generally similar conclusions about the damage done by the spying.

Notra Trplock, an Energy Department intelligence official who was in charge of analyzing the espionage evidence, told the Senate Armed Services Committee last week that "even a cursory reading of the products of both agencies will show that in fact there are very few areas of disagreements."

The new study has looked at the issue more thoroughly at the urging of the Cox committee, which has written a still-secret report that includes information about the theft of the W-88 design.

The details of the intelligence community's damage assessment could not be determined in advance of the scheduled release Wednesday. Moreover, much of the study will remain classified.

South African Beatings Recall Apartheid Police

By Lynne Duke

Washington Post Service

JOHANNESBURG — The brutal image that South African police earned during the days of apartheid was revived when the BBC aired news footage of savage police assaults that included a police officer stubbing out a cigarette on a man's head, a police dog being prompted to bite a prisoner, handcuffed suspects, and an officer using a rifle butt to repeatedly bash an injured man, who later died.

Nearly five years after this racially fractious nation discarded apartheid for democracy and constitutionally mandated human rights protection, the beatings of four black carjacking suspects by at least six white policemen, events that occurred in January and were televised this week, shocked human rights activists.

The nation's police commissioner, George Fivaz, questioned the police's "shocking disregard for basic human rights" and the collective mental health of a force that seemed to be collapsing under the immense pressure of the work. The officers involved have been suspended, and are under criminal investigation.

On the face of it, the case appears to parallel the 1991 beating of Rodney King by Los Angeles police, which sparked a riot, and the fatal shooting this year of Amadou Diallo by New York City police, which brought weeks of daily protests. But in a sign of the broad-based, cross-racial anger about crime here, the assaults drew praise from some members of a public weary of living under virtual siege.

Although crime long has been considered one of South Africa's most pressing problems, the nation was stunned recently by the carjacking murder of a popular school principal in Johannesburg, the gang rape of a United Nations official in Pretoria and the fatal stabbing of a well-known photojournalist in Cape Town. South Africa's 1997 murder rate was 52 people per 100,000, compared with a U.S. rate of 6.8 the

same year. The police on the streets today are, by and large, the same ones who just a few years ago were serving a white-minority government that ruled through the apartheid system of racial separation. Under apartheid, brute force was the order of the day; professional policing was unheard of.

Despite the transition to democracy, police abuse has remained a feature of South African life, according to the Independent Complaints Directorate, which monitors and investigates the police. Deaths in police custody or as a result of police action in South Africa are among the highest in the world, with about 700 dying each year.

This most recent case of police abuse suggests that the reforms and retraining instituted since apartheid's end have not taken full effect, human rights advocates say. Although the offenders in this case are white men, who acted with apparent pride in the presence of a foreign TV crew, abuse is practiced by officers of several other groups.

"Historically, police have been a law unto themselves," said Neville Melville, director of the police complaints agency. He added, "That mentality permeates." He noted, however, that younger police recruits show signs of understanding professional policing, and respect for basic rights.

The videotaped assaults occurred after two high-speed car chases. The BBC correspondent narrating the footage, Jeremy Vine, describes how, in an attempt to stop one of the cars, the police open fire "indiscriminately." The tape gives no indication that police were taking fire in return.

In the other chase, one of the cars crashes. In the mangled, smoking hulk, Mr. Vine says, the occupants appear to be unconscious and "are not able to answer any questions." The police lay one man on the pavement and strike him repeatedly with a rifle butt.

That man later died at a hospital. A police spokesman said it was not clear whether the accident or the assault had killed him.

The Battle for Kosovo / A Birthday Party With a War-Room Atmosphere

Alliance Summit to Focus on Use of Ground Troops and Oil Cut-Off

By John Vinocur
International Herald Tribune

PARIS — NATO leaders will confront decisions on ground troops and pressing an oil embargo against Yugoslavia when their summit meeting in Washington begins Friday.

Washington would support revising a 1998 study on deployment of ground forces in Kosovo if NATO's commander and the secretary-general, Javier Solana Madariaga, call for it, the White House spokesman said.

If the military command and the secretary-general believe that it's prudent to update the assessment based on the changing circumstances on the ground, we would support that, the White House spokesman, Joe Lockhart, told reporters.

In its October study, the North Atlantic Treaty Organization concluded that a ground operation in Kosovo would require hundreds of thousands of troops.

Mr. Lockhart, quoted by Reuters, denied that revising the study would constitute a change in policy. "That's updating an assessment, it's not

changing policy, it's not committing ground troops should they go forward with this," he said.

A discussion on the use of ground troops in Kosovo before a peace agreement, both the most politically charged issue for the alliance and the most vital in terms of its military success, will take place during the three days of meetings, a spokesman for Prime Minister Tony Blair told reporters in London.

The summit participants, he said, also would be looking at the situation in the areas neighboring Kosovo such as Macedonia and Albania, where current NATO troop strength is 18,000.

But there was no suggestion from the prime minister's office of the circumstances that might bring NATO troops into Yugoslav fire. For all the attention focused on ground troops' possible deployment, there was no indication given of the stage in the conflict at which they might be used.

For the time being, there was little to suggest that NATO's air war strategy was about to change significantly.

President Jacques Chirac of France, meanwhile, called for the air campaign to be in-

tesified.

"Massacres, rape, pillaging, torching of villages and an exodus of families who have been separated, that is the action of the Serb authorities and it must stop," Mr. Chirac said Wednesday night.

"We must intensify the strikes, use additional means and enlarge the number of targets whose destruction will deal a blow to Serb forces and the functioning of the Serb regime," he added.

"That is the position I will adopt in Washington."

At the White House, the national security adviser, Samuel (Sandy) Berger, told reporters, "I am sure the full range of issues involving Kosovo will be discussed, but I believe that the consensus in NATO is to stay the course."

These remarks, a war-room atmosphere that was expected to characterize the weekend meeting on the alliance's 50th anniversary, and increasing talk in the U.S. Congress about a ground component provided the background in Washington for a report that Mr. Blair would tell President Bill Clinton on Thursday that NATO

must begin moving toward a ground offensive.

The London newspaper The Guardian described Mr. Blair as believing a "ground assault" was necessary sooner rather than later if NATO is to reach its goals in Yugoslavia within a time frame acceptable to public opinion. The story said that the United States, Britain and France "accept that they should formally begin planning for the deployment of NATO ground troops ahead of any settlement with Belgrade."

The question nagging most at the meeting of the 19 allied leaders was whether they could continue to rely on air strikes alone to end the Kosovo tragedy while the Milosevic regime gave only limited signs of wavering and continued its murderous policies in Kosovo. Estimates of how long it would take to prepare a ground force to enter Yugoslavia extend to late autumn.

The debate on how to stop oil supplies from reaching Yugoslavia is a sensitive one because France, Italy and Greece were described as having legal reservations about a U.S. plan to stop tankers en route to ports serving the Milosevic regime. Referring to the aim of a tightened embargo on the

Milosevic regime, the U.S. defense secretary, William Cohen, said, "I think we all understand that his resupply of fuel has to be stopped and we will take measures to achieve that. Acting collectively, we will do that."

As expected, Russia declined an invitation to attend the ceremonies. But both Mr. Clinton and Mr. Blair made statements emphasizing Russia's importance, as if they were seeking to calm its irritations over NATO's role in Yugoslavia. The president said that a free and united Europe "will not succeed unless it embraces a partnership with democratic Russia. And it will not succeed unless it is embraced by Russia. That is the kind of alliance that must and will emerge from the Washington summit."

NATO and 7 Balkan Nations to Meet

The leaders of the 19 NATO member states and seven Balkan countries will meet Sunday in Washington, an alliance spokesman, Jamie Shea, said Wednesday. Agence France-Presse reported from Brussels. Croatia, Bosnia, Macedonia, Albania, Slovenia, Romania and Bulgaria will attend.

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NATO Raids
Mostly Strike
Serb Targets
Already HitBy Bradley Graham
and John Lancaster
Washington Post Service

WASHINGTON — While NATO planes have flown thousands of missions over Yugoslavia in the course of a four-week bombing campaign, about 80 percent of the alliance's air strikes have been at sites targeted at least once before, according to Pentagon officials.

The officials said the additional strikes were often necessary because Serb-led Yugoslav forces had quickly rebuilt some military facilities and because sites such as ammunition and petroleum depots and radio relay stations had many elements that must be destroyed to put the entire site out of action.

The high percentage of return bombing runs also indicates an operation confined to a discrete number of sites. By contrast, U.S. military and NATO spokesmen have tended to emphasize the gradually expanding list of targets, from air-defense and command installations at the start of the campaign to roads, bridges, industrial facilities and military vehicles in Kosovo.

Pentagon and NATO spokesmen have said that NATO planes have struck about 200 targets since March 24, when the bombing campaign began. Many of the targets have included multiple "aim points," such as several buildings in a single complex, and, as a result, Pentagon officials said, a large percentage of missions have consisted more of whittling away previous target sites than of hitting new ones.

A senior Pentagon official said more bridges, communication lines and other sites had been added to the target list in the past week, and added that NATO planned to attack whole new categories of targets in the next day or two.

"But there still is a lot of effort being put into doing more damage to a number of the original sites we hit," the official said. "Even in the past week, on any given night, the percentage of restrikes might be from 50 to 60 percent."

Officials said the estimates of additional strikes excluded attacks in Kosovo on troop concentrations, where NATO planes have been given leeway to attack tanks and other military vehicles.



An Austrian soldier searching refugees for weapons Wednesday as they entered a camp in Albania.

'Months' Needed to Stop Serbia's Oil

By Elizabeth Becker
New York Times Service

WASHINGTON — Even as Defense Secretary William Cohen asserted again that NATO was succeeding in cutting off the supply of fuel for Yugoslav troops, a growing number of U.S. and European military experts and planners say that goal will not be reached for many months, if at all.

"It will take months at the very least," a NATO military official said. "Yes, the oil refineries are destroyed and so are some oil storage depots, but the Serbs will continue to have the fuel they need for months and months."

Stopping the flow of fuel needed to run President Slobodan Milosevic's war machine has become a top goal of the alliance's air campaign. But Secretary of State Madeleine Albright said Tuesday that the diplomats coming to the NATO summit meeting in Washington this weekend had yet to agree on how to solve "the problem of oil coming into the area."

The immediate problem centers on how to block oil shipments ar-

iving at the port of Bar in Montenegro, one of two republics remaining in Yugoslavia, along with the larger Serbia. Since the air war began, an American analyst said Tuesday, eight to 10 oil tankers have docked at Bar and delivered 40,000 to 45,000 metric tons of refined fuel, or roughly 300,000 barrels.

Some of the tankers came from Greece, Russia and Ukraine, the analyst said. But the "biggest culprit" was a merchant tanker, the Kaliope, flying the Panamanian flag. It is a newcomer to the Adriatic Sea and has been operating along the coast and picking up cargo from other tankers.

Since NATO air strikes recently cut off the pipeline connecting Bar to Belgrade, the Yugoslav capital, the oil has had to be shipped overland for use by Mr. Milosevic's troops.

At the insistence of the United States, the NATO allies are considering sending a naval picket line outside Bar to prevent tankers from delivering oil. But European political leaders, especially the French, are worried that any naval blockade would widen the war and require approval by the United Nations.

But as military experts point out, the problem is larger than the port of Bar.

Aware of the debate and the vulnerability of Bar, Mr. Milosevic is already trying to bring oil in through other coastal ports, the American analyst said, and on overland routes through neighboring countries like Bulgaria.

Furthermore, the Serbs' campaign of ejecting Albanians from the Serbian province of Kosovo requires very little fuel compared with traditional military campaigns. And Serbian troops in Kosovo are dug in with stockpiles of food and supplies, including fuel.

Finally, even in classic air wars, cutting off fuel supplies is one of the trickiest endeavors.

While the allies have persuaded Croatia, a former Yugoslav republic, to cut off its pipeline to Serbia, Belgrade still receives fuel smuggled in from the Serbian area of Bosnia, an other former republic, and from Bulgaria. With such porous borders, experts argue, the allied campaign to choke off the fuel supplies would be far more effective if ground troops were involved.

NATO Sifts the Evidence

Reports of Alleged Kosovo War Crimes Handed to UN

By T. R. Reid
Washington Post Service

LONDON — With the British government taking the lead, NATO has begun focusing its attention on alleged atrocities against ethnic Albanians in Kosovo, and Western leaders vowed to bring the political leaders responsible to trial before the international war crimes tribunal in The Hague.

The British foreign secretary, Robin Cook, said he would give United Nations prosecutors intelligence reports detailing more than 50 atrocities committed over the past month in Kosovo. "It is a rare step to release intelligence material," Mr. Cook said Tuesday. "We have taken it because we are determined that those responsible for turning Kosovo into a slaughterhouse should be brought to justice."

The Foreign Office declined to make the material public, but Louise Arbour, a Canadian jurist who serves as chief prosecutor for the Hague tribunal, told British television that the North Atlantic Treaty Organization had gathered "substantial evidence" of "war crimes of the greatest magnitude." Much of the evidence comes from the hundreds of thousands of ethnic Albanian refugees who have been forced out of Kosovo to neighboring Albania, Macedonia and Montenegro, Serbia's sister republic in the Yugoslav Federation. Mr. Cook said that each of those refugees "has been a potential witness to a war crime."

Another key source of information is reportedly a squad of undercover military intelligence agents from Britain's Special Air Service who are said to have infiltrated Kosovo and other parts of Serbia in small groups over the past few weeks. Officials here have suggested that dozens of SAS members are involved.

The British government never confirms or denies where or whether SAS units are at work. But last week, the chief of the British defense staff, Sir Charles Guthrie, said that NATO intelligence on Yugoslav army movements was "much better" than at the start of allied air strikes last month, thanks in part to new information relayed "from the ground."

The SAS units are said to be pinpointing Yugoslav troop concentrations and military installations, such as tank refueling stations and temporary bivouacs. They can then relay specific map coordinates by radio to help allied pilots find their targets.

But another potential use of undercover forces would be to gather information on atrocities carried out by security forces in Kosovo, Mrs. Arbour said. Reports from undercover agents could be informative but might be difficult to introduce in court.

"What we need to achieve," Mrs. Arbour said, "is developing access to products of intelligence efforts, including military intelligence, which are, of course, products that are

not standardly tendered, even in domestic courts. So I don't underestimate the challenge."

Mrs. Arbour agreed with Mr. Cook that any prosecution should target any senior Yugoslav officials implicated in atrocities. "I believe the mandate of the tribunal is in fact to scrutinize personal criminal liability for war crimes at the highest level," she said. "I believe that's why we were created, and not merely to bring to account low-level perpetrators."

Mr. Cook gave specifics of a few of the atrocities for which his government has evidence: "The bodies of 24 Kosovar Albanians, found in and around a minibus riddled with bullets; one Albanian killed by grenades thrown in a café; three dead ethnic Albanians found in a car ... all with gunshot wounds; three ethnic Albanians killed by a grenade thrown into a shop."

Yugoslav and Serbian officials have denied that atrocities have been committed in Kosovo. They say that ethnic Albanians have been killed during fighting initiated by separatist rebels.

Fischer Warns
Greens Not to
Wreck Coalition

Reuters

BONN — Foreign Minister Joschka Fischer warned his pacifist Greens party Wednesday that the government coalition with the Social Democrats would collapse if they withdrew their support for NATO's bombing of Yugoslavia.

"It would mean the end of the road for this coalition," Mr. Fischer said in an interview with the left-leaning Frankfurter Rundschau newspaper.

Mr. Fischer's comments are the clearest acknowledgment yet that growing opposition to the bombing campaign within his ecologist party could have consequences for its alliance with Chancellor Gerhard Schröder's much bigger Social Democratic Party.

Mr. Schröder has repeatedly downplayed the possibility that, barely six months after coming to power, he might ditch his junior partners, who are enjoying their first taste of government, to seek a new alliance or even call a new election.

But speculation about such a move increased after the Greens executive, anxious to placate increasingly restive members, issued a Kosovo policy statement Monday urging the North Atlantic Treaty Organization to consider a unilateral, temporary cease-fire.

A crunch will come, at the very latest, at a special Greens congress May 13, when the party will vote either to adopt or reject that policy statement.

Mr. Fischer, a former peace protester who became convinced of the need for military force against Belgrade by the Bosnia War, warned his party that withdrawing support for Germany's first combat since World War II would be a disastrous mistake.

"It would mean another coalition, but no change in German policy," he said.

The Social Democrats, like their junior partners, have said they would not support any decision to send combat troops into Kosovo.

Environment Minister Jürgen Trittin, a Greens radical, was derided in the press Wednesday after he said he was misquoted in calling the NATO operation a "mistake" during a public debate in Washington this week.

The conservative Frankfurter Allgemeine newspaper said in an editorial it was barely credible that he had been misinterpreted, while the tabloid Bild suggested Mr. Schröder risk an all-out war with the Greens by firing him.

Major Union Urges Cease-Fire

IG Metall, the largest trade union in Germany and a major backer of Mr. Schröder's election campaign last year, urged NATO on Wednesday to end its bombing of Yugoslavia, Reuters reported from Bonn.

As one European diplomat put it, "We need something substantial to make sure we never get into this mess again."

Officials hope any economic program would involve international institutions like the World Bank and the International Monetary Fund as well as most if not all nations of the NATO alliance.

Some analysts involved in the planning said it could be patterned on the \$5-billion, four-year plan to help rebuild Bosnia. Several dozen agencies and nations are participating in that project.

Mrs. Albright said that the plan had emerged from discussions among European allies and that the allies expected to deal with the subject when the leaders of the 19 NATO countries gather here this week for their summit meeting.

KOSOVO: Political Center Hit in Belgrade

Continued from Page 1

is only safe for pedestrians now, officials said.

NATO officials asserted that the Belgrade television building was a military target because it was a link in the city's air defenses. But few here took this NATO disclaimer at face value.

The prime minister of Serbia, Mirko Marjanovic, condemned the attack as having no military purpose. "This is yet more evidence that the criminals target civilians," he said.

U.S. Beef Up Force in Albania

The United States rushed more troops and equipment into Albania as border clashes raised fears that the Balkans war might expand, news agencies reported.

The first of two dozen Apache anti-tank helicopter gunships, intended to improve NATO's ability to strike Yugoslav ground forces in Kosovo, arrived in Tirana, Albania.

Meanwhile, columns of several thousand ethnic Albanian refugees were pouring across Kosovo's border Wednesday into neighboring Montenegro, whose population of 600,000 has swelled by more than 10 percent since the air strikes began March 24.

Aid officials scrambled to care for thousands of the newly arrived refugees in a remote village inside the Macedonian border.

NATO airpower blasted more than 20 targets, including the bridge near the village of Osstruzica village, 15 kilometers (9 miles) west of Belgrade.

NATO says the bridges that were struck Wednesday were military targets because they could allow the resupply of the Yugoslav Army in Kosovo from the relatively prosperous northern Serbian province of Vojvodina.

The NATO civilian spokesman, Jamie Shea, said that, with recently delivered extra aircraft, the alliance was hitting double the number of targets it struck during the first two weeks of the campaign.

He called the strike on the office tower

in Belgrade a blow at Mr. Milosevic's power structure. The strike left a gaping hole on the first floor and plunged the upper floors into flames that took fire-fighters hours to extinguish. Deputy Mayor Spasoje Krunic said there were apparently no casualties.

"We are now striking at the very heart of his blood-stained regime," Defense Secretary George Robertson of Britain declared, referring to Mr. Milosevic, "and we'll do so again and again and again."

He called the building "one of the nerve centers which plans the killing in Kosovo."

"Who gave NATO a license to kill?" asked the Yugoslav Foreign Ministry spokesman, Nebojsa Vujovic. "Who gave NATO a license to destroy and destroy this beautiful country?"

The Yugoslav press agency Tanjug said NATO struck a compound Wednesday near the Kosovo town of Djakovica housing Serbian refugees from the Bosnian and Croatian wars, killing at least 10 people and wounding 16. There was no way to verify the report.

The NATO air strikes aim to halt Mr. Milosevic's campaign to drive ethnic Albanians from Kosovo and have him accept a peace deal agreed to in February by ethnic Albanian negotiators.

Many in Kosovo, where 90 percent of the 2 million prewar population was ethnic Albanian, favor independence from Serbia, an option Mr. Milosevic has rejected. The 14-month conflict has killed at least 2,000 people and driven more than 600,000 ethnic Albanians from their homes.

The president of Macedonia asked his nation's Supreme Defense Council on Tuesday to declare a state of emergency, saying the flood of refugees threatened to upset Macedonia's ethnic balance.

Two NATO soldiers were slightly wounded in Macedonia on Tuesday when Serbs hurled stones at French vehicles in the village of Kucevici, just west of the capital, Skopje, NATO said Wednesday. (AP, NYT, Reuters)

First Tank-Killer Copters Land in Albania

Reuters

TIRANA, Albania — After a week of delays, the first of 24 U.S. Apache attack helicopters arrived in Albania on Wednesday to bolster the firepower of NATO forces striking Yugoslav targets, witnesses said.

Several of the Apaches were spotted flying into Rinas airport, the staging ground for troops and equipment that will support the helicopters once they go into action against Serbian armor in Kosovo. Witnesses said that as many as six Apaches swooped in under escort of more than a dozen other helicopters.

The Apaches' slow deployment from bases in Germany had been criticized by military experts and ridiculed by media commentators. Pentagon officials attributed the delays to rain, mud and overcrowding at Tirana's tiny airport.

U.S. officials said this week that the AH-64 gunships, which performed well as tank-killers in the

Gulf War, would be ready to go on the attack a week after their arrival.

Elite Paratroopers Arrive

John Kifner of The New York Times reported earlier from Tirana: Hundreds of U.S. paratroopers from the elite rapid-response force have begun arriving at the airport here ahead of the first deployment of Apache helicopters.

The deployment of a battalion from the 82d Airborne Division was not announced by the Pentagon. One brigade of the 82d Airborne is kept on ready alert at all times as a quick-response force to a crisis anywhere in the world.

But those arriving in Tirana will be, in effect, policemen far behind the lines for the 48 Apache attack helicopters called upon in this case because theirs was the only unit that could be deployed quickly enough to protect the helicopters.

In response to a query, the Defense

Department confirmed that 700 soldiers from the division's 3d Brigade, second battalion of the 505th Parachute Infantry, had been sent to provide security for the Apaches.

Despite the failure of the air strikes to stop the Serbian campaign to depopulate Kosovo — largely carried out in small-scale tactics of a handful of armed, masked men terrorizing villages — the NATO commander, General Wesley Clark, asked not only for more planes but for first 24, then 48 Apache attack helicopters, which are capable of close-in combat.

The Apaches could operate either on their own or in support of attacking ground troops and can fire their rockets at a target from as far as five kilometers (three miles) away. The helicopters operate in tandem, with batteries of rockets with a 300-kilometer range that are designed to knock out air defenses before the packs of helicopters attack.

REBUILD: As Bombs Still Fall, NATO Is Looking to the Task of Restoring the Balkans

Continued from Page 1

Europe what we helped to do for Western Europe after World War II and for Central Europe after the Cold War," he said during a speech in San Francisco in which he focused on the future of Kosovo.

Mr. Clinton has been careful to avoid describing the rebuilding as a modern-day Marshall Plan, which invites comparison with one of the most comprehensive — and most expensive — peacetime initiatives in world history.

Over four years, 16 countries rebuilt a Europe devastated by World War II in an attempt to halt starvation, prevent the spread of communism and stabilize the international order to promote free-market economies. The plan, to which the United States contributed \$13 billion

starting in 1948, created the foundation for NATO.

But officials said that the Clinton administration and the European Union were nonetheless striving for a thematic vision comparable to that of the Marshall Plan to signal the West's intentions of bringing long-term stability to the region.

To achieve long-term stability, Deputy Secretary of State Strobe Talbott said, the alliance will need to bolster the nearby countries of Albania, Bosnia, Bulgaria, Croatia, Romania and Macedonia.

How much physical rebuilding of Serbia would be undertaken and when it might begin are major political questions that the alliance has yet to address. But Mrs. Albright suggested Tuesday

that it would not necessarily depend on the fate of Mr. Milosevic's regime.

"Whether Milosevic and Yugoslavia is a part of that depends on how this ends and whether we see a democratically elected government in Yugoslavia," Mrs. Albright said at a White House briefing.

"We cannot hold the whole region hostage to Milosevic's policies," she said.

The still-sketchy plan has evolved from notions of tinkering with ways to promote trade within the Balkans to a more expansive economic program that would offer technical and development assistance to the neighboring countries, compensate them for the substantial losses in trade and then help them pay off their debts.

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Herald Tribune

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School Shooting

Once again a routine school day was interrupted by blasts of gunfire when two young men clad in masks and long black trench coats began shooting Tuesday at fellow students at Columbine High School in Littleton, Colorado. Their semiautomatic weapons fire and explosions claimed 15 lives, including their own. It was the largest death toll in an act of terrorism at a U.S. school. At least 23 people were taken to local hospitals with gunshot and shrapnel wounds, including one girl who suffered nine shrapnel wounds to the chest.

The two gunmen, both in the 11th grade at the school, were found dead in the school library after what a sheriff described as a suicide mission.

They apparently belonged to a small group of students known as the "trench coat Mafia." But exactly what prompted their attack, and where they obtained the arsenal of weapons to carry it out, is not yet known. In coming days, no doubt, these and other key details should emerge. Meanwhile, it is not too early to begin drawing lessons.

One is that schools must become more adept at spotting potential troublemakers before they resort to gunfire. Another even more obvious lesson — but one largely forgotten after the shock of last year's spate of school shootings went off — is the urgent need for concerted action by Congress, state legislatures and gun manufacturers to keep guns out of the hands of troubled youngsters. School shootings had been in decline this year, but the blasts Tuesday in Colorado are a grim reminder that guns are still too readily available.

—THE NEW YORK TIMES

NATO's Somber Birthday

When 12 nations created the North Atlantic Treaty Organization in April 1949, allied pilots were flying dangerous missions to break the Soviet blockade of Berlin. Now, as leaders of NATO's 19 nations gather in Washington to mark the alliance's 50th anniversary, allied pilots are again flying into harm's way.

The symmetry says something about the remarkable cohesion in support of democratic values that the United States, Canada and these European countries have maintained across a half-century; there is reason for satisfaction. But the continuing war means that the 50th anniversary summit meeting, slated to begin Friday, cannot be a celebration. NATO can maintain its pride only if its leaders use this occasion to redouble their commitment to stop Serbia's mass killings, rapes and forced expulsions and to reverse Slobodan Milosevic's ethnic cleansing.

Before the Kosovo war began, this NATO event was envisioned quite differently. It would have heralded the end of the Cold War and welcomed into the alliance the three newest members, nations that spent most of the past 50 years under Soviet domination. Delegates would have devoted most of their nonceremonial energy to NATO's new challenges: shaping a new role now that the Soviet Union is gone, recalibrating the always delicate balance within the alliance between Europe and the United States, paving the way for further enlargement and finding a place for Russia.

Chile and Pinochet

The case of General Augusto Pinochet has left a lasting imprint on international law. Britain's decision in March that even former heads of state may be tried anywhere for crimes committed at home is a landmark, and now the British home secretary, Jack Straw, has ruled that Spain can keep seeking General Pinochet's extradition. But the case has also exposed how Chile's military has limited its new democracy.

Mr. Straw's decision was correct. The Law Lords had ruled that General Pinochet could not be extradited for any crimes committed before 1988, when Britain ratified the torture convention. That left only three of the original charges standing, but Spain has since added new ones and deserves the chance to prove its case.

The decision to try General Pinochet in Spain will also benefit Chile. The Chilean government, a coalition of parties opposed to General Pinochet, has asked for him to face justice in Chile. But privately, officials admit they do not want him back. While 70 percent of Chileans want to see him tried, few think the military would allow it. The government would have to choose between a sham trial and conflicts with the military.

So far, Chile's military has been restrained. But it could not have hoped to influence Britain, and Chile's government was taking General Pinochet's side. That restraint could vanish if the case home. In 1993, when a judge investigated army payments to General Pinochet's son, the military sent troops into the streets. The case was quickly dropped.

The Pinochet case has reopened a debate on Chile's failure to deal with past crimes. Less noted, though just as important, is the general's undemocratic constitution, which limits the president's power to dismiss military chiefs

and grants military influence over presidential decisions. Election rules give an unfair edge to General Pinochet's supporters, as does a lifelong Senate seat for him and the military's ability to appoint senators. This has allowed the right to block needed reforms.

Chile's civilian government is not in danger of being overthrown. A military coup would win little support among a population that has enjoyed years of economic growth. But less dramatic insubordination is possible, which has persuaded the government to limit its efforts to restore the freedoms Chile enjoyed before General Pinochet's rule. Thanks to his case, Chileans are coming to realize how much of their democracy has been lost.

—THE NEW YORK TIMES

Other Comment

Kosovo's Faces

The faces of Kosovo refugees put life swiftly into perspective.

Arriving each morning on the front page of the newspaper, they stare up from the breakfast table to challenge the daily whine. Anyone sweating a deadline at work or feeling stressed about car-pooling the kids or in a fury because the laundry hamper is full and the sock drawer is empty can feel the complaint dry up and drop back down the throat before the silent anguish and exhaustion in so many photographs.

The refugees are piercing and appropriately visible. The creased, dusty faces draw us into the desperation behind barbed wire and under tent flaps. The eyes register fear and hope as they stare into the middle distance, as if trying to focus on a sane future. We follow the gaze and hope they find it.

—The Boston Globe

Within NATO, a Growing Divide Over the Balkans

By Niall Ferguson

OXFORD, England — Don't be deceived by this week's birthday backslapping by NATO members. Ever since it began at the end of World War I, American leadership has nearly always been accepted with an ill grace by Europeans.

The exceptions to that rule have been British conservatives from Winston Churchill to Margaret Thatcher. But conservatives are out of power in all the major European states. In their places, as the British prime minister, Tony Blair, likes to say, are a "new generation" of leaders, many of whom came of political age during or after the great wave of anti-Americanism that swept Europe during and after 1968.

At first sight, of course, the generation of '68 has had the mother of all ideological makeovers. Indeed, there is something almost surreal about the way these former critics of the American military-industrial complex today defend the bombardment of Serbia by the U.S. Air Force.

Yet behind the veneer of NATO unity, Europe's leaders remain in many ways deeply uneasy about their role as junior partners in a U.S.-dominated concern. Above all, doubts persist about the Clinton administration's ability to define clear objectives and to make available the resources needed to achieve them.

It is undeniable that American foreign policy in Europe seldom has been more confused in its ends and less effective in

its means. "I do not believe the solution to hatred in the Balkans is even greater Balkanization," those were President Bill Clinton's words last weekend, defending his view that NATO is fighting for the "autonomy" rather than the independence of Kosovo. Yet few if any politicians in Europe now regard this as a realistic option. Too much has happened in Kosovo for a return to the pre-1989 system of autonomy within Serbia to be a realistic aim.

Mr. Clinton's other stated aim is to achieve a "democratic transition in Serbia," which means replacing Slobodan Milosevic with some more liberal figure. Again, hardly anyone in Europe expects this to happen. The effect of NATO's air strikes on Serbia has, on the contrary, been to strengthen Mr. Milosevic's domestic position.

So what next? Many Europeans privately worry that rather than commit the ground forces needed to win this war, Mr. Clinton may be tempted to cut a deal based on the partition of Kosovo. The Russians are standing by to broker such a compromise.

If the war in Kosovo does end this way — with a redrawing of maps and only partial ethnic resettlement — it will be more than a cop-out by NATO. It will be the end of an era of American involvement in the Balkans that began in Paris 80 years ago.

When President Woodrow Wilson sailed to Europe to attend the Versailles peace conference, he brought with him a blueprint for a new world order that would prevent a repeat of the first world war. That conflict had, of course, started in the Balkans.

One of his recipes for the avoidance of future wars was to apply the principle of "self-determination": the idea that ethnic and state boundaries should be congruent. It was on that basis that the peacemakers in Paris in 1919 dismantled the empires of Germany, Russia and Turkey, calling into existence new states such as Poland, Czechoslovakia — and Yugoslavia.

The problem was that, on closer inspection, the various ethnic groups of Central and Eastern Europe were too intermingled to allow the creation of ethnically homogeneous new states. Originally called the "Kingdom of Serbs, Croats and Slovenes," Yugoslavia was made up of Croatia, Slovenia, Macedonia, Montenegro and Bosnia-Herzegovina. Kosovo was treated as an integral province of Serbia, like Vojvodina on its northern border with Hungary and Romania.

This was hardly a triumph for self-determination; it simply increased the power of Serbia over non-Serbian peoples of the Balkans to an extent that no Serbian nationalist would have dared dream of in 1914.

Yugoslavia has since disintegrated

twice into a maelstrom of ethnic conflict in the 1940s and in the 1990s. Yet Americans have been more reluctant than Europeans to accept this disintegration. It was Europe, not the United States, that rushed to recognize Croatia, Slovenia and the rest when they seceded from Yugoslavia in the early 1990s. Mr. Clinton's insistence on autonomy rather than independence for Kosovo is the last flicker of American wishful thinking that the process of "Balkanization of the Balkans" can be halted.

NATO leaders will line up this week to proclaim their unity. The present crisis gives the lie to such proclamations. The reality is that the gap between American and European objectives in the Balkans is widening. It is Europe that has the strongest interest in halting ethnic cleansing, because, as during the Bosnian crisis, it is the Europeans who have to cope with the flood of refugees.

Yet the Europeans still expect the United States to provide the lion's share of the forces for military action. And so long as that is so, they have no option but to defer to American leadership, right or wrong. Europeans have spent the past decade busily working to establish a common currency. One lesson of the Kosovo crisis is that a common army would have been more useful.

The writer, a fellow of Jesus College, Oxford, and author of "The Pity of War," contributed this comment to The Washington Post.

Without Ground Forces in Kosovo, the Alliance Faces Defeat

By William Pfaff

PARIS — A student's letter to a Paris newspaper last weekend observed that NATO has created something without precedent in human history: a war in which only civilians are killed.

To be exact, the observation should be amended to say "only Kosovo civilians." In principle, the incidents in which NATO operations have killed Serbian civilians have been treated by command, press and NATO governments as scandalous exceptions requiring apologies to the Serbs. The apology is that in ground attacks from an altitude of 4,500 meters (15,000 feet), mistakes can happen. NATO's pilots would be in danger if they flew under 4,500 meters.

On the other hand, Kosovo civilians die and are brutalized daily, but protecting them is not a part of this phase of NATO's operations. When NATO reaches the phase in its program when attacking Serbian forces from less than 4,500 meters is deemed safe, President Slobodan Milosevic's police and terrorists are likely to have emptied Kosovo of its ethnic Albanians. That is his program. He is much closer to success than is NATO.

What is going on is a freakish mutation of war. Serbian forces cleanse Kosovo of its ethnic Albanians, expelling the population, by plausible accounts murdering men and raping young women, with virtually no opposition from NATO.

NATO is bombing air defenses, electric plants, bridges, empty barracks and other objectives of strategic warfare, because this is the war it planned. The fact that these bombings have no possibility of seriously affecting what is going on in Kosovo has no apparent effect upon the political council that sets NATO priorities.

NATO has its own war. The Serbs have theirs. Eventually Serbia will have no more bridges or refineries. Kosovo will have no more people. Since NATO's announced purpose is to defend the Albanian population of Kosovo, Mr. Milosevic will have won. This strategic bombing spares pilots from risk, which for some years has been the principal responsibility assigned to U.S. commanders — hence of the NATO command, which the United States dominates.

NATO's rationale for fighting the war which suits its human and equipment priorities is that, logically, these attacks will so punish the Serbian leadership as to make it logical for it to abandon its program of ethnic purification, the very program that has kept Mr. Milosevic in power for the last decade.

Strategic bombing is supposed to persuade Mr. Milosevic to withdraw his forces from Kosovo. This will create the "permissive environment" NATO seeks, in which its forces can enter Kosovo as peacekeepers rather than fighters.

In recent days there have been reports, denied but plausible, that NATO ground forces nonetheless are being prepared for Kosovo — implying that NATO's repeated denials of ground intervention have been deception.

There unfortunately is reason to doubt that these forces will be committed to combat. My own pessimistic interpretation — which I hope will be disproved — is that the 82d Airborne Division has gone to Albania to protect the U.S. Army's Apache

helicopters, and the Apache helicopters are in Albania to protect the 82d Airborne and associated NATO forces.

It seems likely that these and other troop reinforcements are being prepared to defend Albania against Serbian intrusion, possibly to establish enclaves of refugee camps in zones of a Serb-ruled "permissive environment" inside Kosovo, and to try to stabilize the extremely dangerous situations in Macedonia and Montenegro, already under attack from forces loyal to Belgrade.

If such a noncombat deployment were eventually accompanied by negotiated or de facto partition of Kosovo, the outcome would be one that some in Washington think could, metaphorically, be presented as a NATO victory. Presentation is all.

Yet there still is time for NATO to "redeem itself" by launching serious land operations to expel Serbian forces from Kosovo, reestablishing the deported Kosovars in what remain of their homes — the avowed NATO objective.

The NATO powers might still declare, and make, Kosovo an international protectorate, autonomously gov-

erned, whose eventual status would remain subject to broad international determination and negotiation with a Belgrade successor government.

But the window of opportunity is closing, and the NATO public awaits leadership. Clear majorities of opinion exist today in most NATO countries in support of ground intervention. Such majorities are fragile, but what destroys them is evidence of futility. Success reinforces them.

What they are being given is evidence of futility: incompetent planning, tactical sterility and inadaptability on the part of NATO, shameful preoccupation with the security of its own forces at the expense of those the campaign was meant to protect and repeated tactical defeat by Mr. Milosevic.

If the Yugoslav president's forces are not cleared from Kosovo he will have won this war, whatever spin Brussels and Washington try to place on the outcome. The 20th century will have ended with a bang, a prospect NATO's macabre "celebration" in Washington this weekend is unlikely to concede or prevent.

International Herald Tribune, Los Angeles Times Syndicate.

Stronger U.S.-Japanese Ties Can Bolster Asian Stability

By Masashi Nishihara

TOKYO — The U.S. visit of the Chinese prime minister, Zhu Rongji, was difficult. Despite President Bill Clinton's efforts to reinvent the ties with Beijing, the anti-Chinese mood in Washington is likely to intensify as candidates in the approaching presidential campaign use China as a political issue.

The visit by the Chinese president, Jiang Zemin, to Japan in November was also poorly received. During his stay, meant to mark the 20th anniversary of the China-Japan Peace Treaty, he continually referred to Japan's wartime conduct. The Japanese interpreted this as a ploy to make Tokyo feel guilty and kowtow to Beijing. Bilateral relations have since become chilly.

Meanwhile, North Korea has angered the Japanese twice in the last eight months. In August, North Korea fired over Japan a long-range missile that it said

was being used to launch a satellite. Last month, two North Korean spy ships disguised as Japanese fishing boats entered Japan's territorial waters. The Japanese fired warning shots, but the ships escaped.

All these events are bound to draw Tokyo and Washington more closely together. The incident with the North Korean spy ships, which are thought to be only the tip of the iceberg of Pyongyang's extensive espionage activities in Japan, has encouraged Tokyo to strengthen its defense posture. Indeed, Japan has decided to launch four Japanese-made reconnaissance satellites by 2002 and study a theater missile defense system jointly with the United States.

The intrusion of the North Korean spy ships is helping to hasten the Japanese Parlia-

ment's deliberation on bills to bolster support for U.S. military operations in East Asia. It now seems certain that those bills will be passed by the Diet's lower house late this month, just before Prime Minister Keizo Obuchi leaves for Washington for a summit meeting with President Bill Clinton in May.

Particularly notable is the shift in the Japanese public's mood toward empowering the nation to deal with foreign intruders, protect its sovereignty rights and rely on its own intelligence sources. When the Japanese Navy fired at the North Korean ships, it was the first time since World War II that the Self-Defense Forces had used force. Not only has the public accepted this development, but it also favors greater defense preparedness, including clear

rules of engagement and better coordination with U.S. forces.

A closer alliance between Tokyo and Washington would tend to isolate North Korea and China. As a result, both countries have been extremely critical of Japan's current moves.

Maintaining political stability while working toward more open political and economic systems in North Korea and China is in the long-term strategic interest of both Japan and the United States. Tokyo and Washington do not want internal turmoil in China to affect East Asia's economic climate; nor do they want political instability in North Korea to cause a massive outflow of refugees to South Korea.

China faces severe domestic challenges, including bankrupt state enterprises, high unemployment, unrest among ethnic minorities and corruption. North Korea suffers from an acute food shortage. If Japan and the United States invest in China and provide food for North Korea, it would probably help both communist countries remain po-

litically stable. Engagement — and the leverage it brings — is therefore still important.

Nonetheless, when China is allegedly building advanced nuclear bombs with U.S. technology, and North Korea is reportedly exporting missiles and building underground sites for developing nuclear arms, Washington must remain firm. Given the likelihood that North Korea will continue to violate Japanese territorial waters and that China will continue to expand its naval power, Japan must demonstrate a willingness to defend its territory, by force if necessary.

A more effective Japanese defense posture and stronger security ties with the United States are also vital to prevent North Korea from further adventurism that could upset stability in Northeast Asia and the wider Asia-Pacific region.

The writer, professor of international relations at the National Defense Academy in Yokosuka, Japan, contributed this comment to the International Herald Tribune.

A Swell of Nationalism in Tokyo

By Roger Buckley

TOKYO — The election of Shintaro Ishihara last week as the new governor of Tokyo has set off alarm bells within Japan and abroad. The comfortable victory of the former cabinet minister will add to the discomfit of Prime Minister Keizo Obuchi and could increase tensions in relations with the United States.

Mr. Ishihara is well known for his 1989 best-seller "The Japan That Can Say No," which called on the Japanese to stop relying on the United States for their defense and blindly following Washington's lead on global issues. Yet his popularity with the Tokyo electorate may be more a reflection of continuing public dissatisfaction with the established political system in Japan than any vehement endorsement of rightist aims.

Mr. Ishihara, an outspoken nationalist who ran as an independent, gained support because he was seen as an outsider who was not in cahoots with the governing Liberal Democratic Party or the centrist opposition. But once engrossed in the complexities of administering Tokyo, he may find it essential to compromise with the central government.

Mr. Obuchi dismissed Mr. Ishihara's success as of little importance, pointing out that the conservatives fared much better outside Tokyo. Yet Mr. Obuchi and his lieutenants have noted the growing number of floating voters in Japanese politics, and the declining ability of national parties to guarantee the votes of groups they counted on for support in the past.

The prime minister's future in the governing party in Parliament appears to be secure, at least for the short term. But his supporters are anxious to see a tangible improvement in the sluggish economy before the next general election.

To enhance his leadership credentials, Mr. Obuchi wants to pass into law bills that will increase U.S.-Japanese defense cooperation and strengthen security ties with Washington. Difficulties remain over the presence of American forces in Okinawa. To offset this, Mr. Obuchi wants the Japanese military to be able to assist the United States with logistical support in case of a crisis on the Korean Peninsula.

The prospect of Mr. Ishihara continuing to raise sensitive issues in U.S.-Japanese relations, particularly his demand that the large and underused U.S. air base at Yokota on the outskirts of Tokyo be turned into a civilian airport, could exacerbate Mr. Obuchi's problems with the American administration.

Mr. Ishihara's election is far from conclusive evidence that a strong current of nationalism is emerging in Japan. Yet his calls for less Japanese dependence on the United States could find a wider following in an electorate disenchanted with mainstream party politics and worried by the anemic state of the economy.

The writer, who teaches history at the International Christian University in Tokyo, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Industry Evils

PARIS — The Temps says: "The Conservative and Agrarian Right in the Prussian Landtag has risen against the project for an Elbe-Rhine canal. It saw therein another offering to the industrial Moloch whom it detests, and denounced it as a continuation of the policy of treaties of commerce. It protests against any measure likely to develop industry. Industry engenders capitalism, which engenders revolution whereas agriculture binds to the soil the docile peasantry who vote according to the goodwill of the landed proprietor."

the yearly one day of liberty. Because of the increase of applicants, it was decided to apply stricter tests. It was suggested that a member demand one suit of clothes for every three his wife gets and that if she is to have a new hat the husband should at least be entitled to some new article at her expense.

1949: Criminal Youth

PARIS — A criminal group of American youth is being prepared for a future war, Alexander Fadeyev, president of the Soviet Writers' Union charged. He quoted FBI figures to show that crime is on the increase in the United States. "It is characteristic," he said, "that the American newspapers explained this increase by an unprecedented use of alcoholic drinks and by the corruption of the youth. We can only think that this corruption is preparing for future war crimes."

1924: Henpecked Club

LONDON — Scores of Yorkshire husbands assembled in Bouldersclough. They were attending the annual meeting of the Henpecked Club, more officially and politely described as

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OPINION/LETTERS

A Surreal Senate Contest Is Looming in New York

By Gail Collins

NEW YORK — Hillary Clinton's potential Senate candidacy reached a new plane this week when she and the citizens of the Empire State moved into the same pronoun. "We have everything in New York that we have in America," Mrs. Clinton said. In some kind of agrarian flashback to her Arkansas days, she added that the New York press corps might be surprised to know the kind of crops that are grown in their state. If this candidacy blossoms, flash cards and spelling tests are sure to follow.

The idea that New York is uniquely reflective of the nation as a whole is sure to appeal the nation as a whole, but a contest featuring Mrs. Clinton and Rudolph Giuliani, New York City's mayor, would certainly be America's race.

The nationalization of the New York Senate seat is already happening. Mr. Giuliani announced at a speaking engagement in Florida that he had filed papers establishing his potential candidacy. Mrs. Clinton, expanding the race's scope further, broke her self-imposed embargo in discussing her

Mrs. Clinton fears another personal tragedy; Mr. Giuliani envisions barbarians at the gate.

political plans while she was in Cairo. (This week, as Adam Nagourney noted in *The New York Times*, she entertained a public discussion of the Senate race for the first time "on American soil.")

On a substantive level, Clinton versus Giuliani would be an interesting clash between the politics of moderate Republicanism and of Clintonian Democrats, in which we would finally get to figure out how the two differ. On a personal level, this is the gender gap come to life. But right now, the greatest fascination lies in the sight of these two outside personalities trying to fit themselves into their new roles.

When Mrs. Clinton finally allowed reporters to ask questions this week, the infamous bulldog New York press corps failed to

bite, offering only one hesitant query about whether it was fair for the American taxpayers to be underwriting these first-lady forays into New York.

If Mrs. Clinton had been studying Mr. Giuliani's technique, she would have said that the subsidized transportation and staff were all necessary for her security and perhaps implied that the media was sympathetic to international terrorism. Instead, her press secretary compared the questioning reporter to a "pinhead," raising the possibility that the information policy that has done so much for President Bill Clinton's reputation can be exported to New York.

The idea that Mr. Giuliani, whose inability to get along with his peers is notorious, wants to join the clubbiest legislative body in human history is almost as otherworldly as the idea of a first lady running for election in a state where she has never lived even as her husband still occupies the White House. Mr. Giuliani has not told Governor George Pataki that he is interested in the Senate race, but he has traveled to Texas to discuss the matter with George Bush. When the mayor was asked about Mr. Pataki at an event in Staten Island, he invited his Greek chorus, Guy Molinari, to reply.

While the mayor stood dutifully at his side, Mr. Molinari laced into the governor for trying to "scuttle" the Giuliani candidacy. It is a pretty good definition of surreal politics when a candidate for senator from New York chooses to discuss his ambitions with the governor of Texas while attacking the governor of New York through the borough president of Staten Island.

Mrs. Clinton's associates say she will announce her intentions this summer, and that the longer she waits the more likely it is she will run. She has apparently decided she would like to run, but has not quite come to grips with whether she could stand to lose.

Mr. Giuliani says he is closing in on a decision, but that he is worried the city might sink back into anarchy and chaos if he is not at the helm. One side fears yet another personal nightmare, the other envisions barbarians at the gate. The presidential race would pale by comparison.

The New York Times



By HONG in London Zuckers (Singapore), CA W syndicate

LETTERS TO THE EDITOR

The NATO Air War

Regarding "NATO Must Prepare for the Long Haul in the Balkans" (Opinion, April 12) by Anthony Lewis:

I agree with Mr. Lewis that after the lessons of Iraq one would have to be an incurable optimist to believe that aerial bombardment alone would be successful in removing Slobodan Milosevic and his cronies from power. But if Mr. Milosevic were to buckle under pressure and sign a treaty allowing the entry of NATO forces into Kosovo, he most likely would be lynched by an angry mob, because most Serbs now regard the North Atlantic Treaty Organization as the problem, not the solution.

Most of my friends in Serbia avoided the military draft in the past and could not have cared less about Kosovo until the NATO bombing campaign started. Now many of them are volunteering to serve in Kosovo and even welcome the prospect of facing NATO troops.

Their view is that NATO's "surgical strikes" are destroying the whole body instead of just the tumor. They would rather die with their boots on than die while running from bombs.

DANIEL FILIPOVICH
Vienna

The effective NATO bombing that stopped the Serbian advance

in Bosnia-Herzegovina was accompanied by an even more effective Croatian ground offensive with arms quickly provided by NATO. Yet few would contend that the Croatian fighters or their leader, Franjo Tudjman, are morally superior to the Kosovo Liberation Army and its leadership. Why is NATO reluctant to do what it eventually will have to do — but only after delaying until Kosovo is emptied of its Albanians except for tens of thousands buried in its soil? Clearly Albanians in Kosovo can no longer be ruled by Serbia. Nor should vague worries about a new "Albanian menace" in the Balkans allow genocide to continue.

GEORGE B. LAMBRAKIS
London

India and Bangladesh

Regarding "A Lesson for Yugoslavia in Bangladesh's History" (Opinion, April 11) by Philip Bowring:

Mr. Bowring describes India's criticism of NATO's attacks on Yugoslavia as hypocritical and asserts that there is a precedent for the NATO action in India's role in the creation of Bangladesh. This is misleading on several counts.

Unlike NATO now, we in India did not claim a right of humanitarian intervention, even though 10 million refugees sought sanc-

tuary on our territory. We looked after the refugees but did not intervene militarily to stop the problem at its source in East Pakistan.

It was only when Pakistan attacked us in December 1971 that we invoked the right of self-defense under Article 51 of the UN charter. We do not recall any great enthusiasm in NATO capitals when it became clear that, as a result, Bangladesh would become independent sooner rather than later.

Mr. Bowring has ignored the fact that the population of what became Bangladesh constituted the majority of Pakistan's population. Pakistan's general elections had clearly shown that the majority in East Pakistan wished to break away from Pakistan, and the minority tried to prevent them by use of force.

NAVTEJ SARNA
Washington

The writer is press counselor at the Indian Embassy in Washington.

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Even the Queen's English Needs a Bit of Correction

By T.R. Reid

LONDON — The English language is in such dubious shape here in the country that invented it that almost nobody noticed recently when an elegant woman speaking in the plummy accents of privilege committed a grammatical crime on nationwide television.

The speaker wounding the Queen's English was none other than the queen herself. In her annual address to her subjects — presumably vetted endlessly by the Buckingham Palace staff — Queen Elizabeth II observed that "the young can sometimes be wiser than us." "Tuan us?" I wondered. Is this proper English? So I dug out *The Oxford Guide to English Usage* and found that Her Majesty was wrong. No one was more dismayed than I.

Before I moved here, I might have been surprised by this royal gaffe. Like many Americans, I thought those crisp, proper British accents would naturally be used to recite crisp, proper English.

But after living here for a year, I've come to a rather startling realization: In public discourse, the English don't speak English as well as we Americans do. I'm not suggesting that every conversation or e-mail in America would pass muster with the Oxford Guide editors. But in official discourse, at least, and in written work, Americans try to use proper English. In British business, media and government, though, Professor Henry Higgins had it right: "Use proper English, you're regarded as a freak."

If you want to hear England's version of English, turn on C-SPAN or some NPR stations and listen to the top guns of the British government violating their language day after day on the floor of Parliament. Listening idly from time to time, I've scratched down a slew of solecisms from the front bench, including:

• The secretary of state for Northern Ireland, Marjorie (Mo) Mowlam: "The right honorable gentleman's reply demonstrates the difference between he and I."

• The deputy prime minister, John Prescott: "The gentleman asks who is responsible. And the answer is, him!"

• The prime minister, Tony Blair: "We have said that each

member should make their own choice."

• Mr. Blair again: "Every person in Northern Ireland can vote as they want."

The curse of nonagreement — the plural pronoun following a single antecedent — that plagues Mr. Blair's rhetoric is a particularly common problem here. Even the Oxford Guide, while insisting that nonagreement "is not yet fully accepted," warns "it is becoming increasingly common."

Is it ever! "Almost every driver will find their taxes increased," declares a BBC news anchor. "If someone wants to pay in euros, they can," says the spokesman for a national retail chain. "Delavacquerie allowed everyone to examine the proofs as long as they wished," writes the novelist Anthony Powell.

The queen's clunky usage also is commonplace. "He loathes people who are richer than him," reads a newspaper profile on the Marquess of Bristol. "I'm sure our boys can play stronger than them," says a prominent cricket coach.

The demonstrative pronoun is a particular minefield for England's English speakers. When Glen Hoddle was fired recently as England's national soccer coach for expressing unpopular opinions, he stood before a bank of microphones and denied everything: "I did not say them things."

At least I'm not the only one who cringes at such usage. Many Britons are worried about the decline in their own linguistic standards. "My harkles rise every time I hear someone say 'them books,' 'I done it,' 'It weren't me,'" says Penny Wark, a deputy editor at *The Times* of London.

The nation's most popular TV "presenter," or anchor, Trevor McDonald, was so disturbed by the ungrammatical sound bites he heard on his own program that he started a nationwide "Better English Campaign." "We seem to neglect English," Mr. McDonald said, "while other people around the world are rushing to learn it."

He has a point. About 1.5 billion people worldwide speak English daily; only about 5 percent of them live in the British Isles. Maybe that huge offshore majority cares more about the language than the folks who gave it to the rest of us.

The Washington Post

BOOKS

SLACKJAW

By Jim Knipfel. 235 pages. \$22.95. Jeremy P. Tarcher/Putnam.

Reviewed by Michiko Kakutani

JIM KNIPFEL'S life, recounted in his new memoir, "Slackjaw," sounds like a bad dream: He discovered in his early 20s that he was afflicted with a rare genetic illness called retinitis pigmentosa, which would leave him blind in a couple years, and he also learned that he was suffering from a form of epilepsy that caused depression and "rage seizures." His marriage was falling apart, he was drinking heavily, and he couldn't find a job.

"I kept returning to that simple man of mine, Deal With It," he writes, "while recognizing that life has become quite long slapstick routine — like living a Marx Brothers movie, except without quite so many musical numbers."

It was Knipfel's sardonic sense of humor and his keen sense of the absurd that kept him from going through with his plans to commit suicide, and those same qualities enliven this memoir, making his account of his travails less depressing than funny, heroic and, yes, entertaining. Knipfel — a staff writer and columnist for *New York Press* — is also blessed with a natural, one might even say reflexive, knack for telling stories, and in this volume he spins the most ordinary of events (a subway ride, a trip to Times Square, a visit to a bar) into rollicking adventures, crammed full of paranoia, suspense and giddy self-dramatization.

Knipfel, himself, emerges as a sort of middle-class rebel, a would-be anarchist and outsider who has read a lot of Kafka, Nietzsche and Dostoevsky. He and a friend considered naming their rock band "The Wolf Man, the Rat Man and

the Psychotic Dr. Schreber," after the subtitle to Freud's "Three Case Histories"; in college they formed a political group called the "Nihilist Workers' Party." Knipfel later takes to wearing a black fedora in hopes that it will make him look like Bogart or Cagney. And when he starts losing his sight, he considers buying a walking stick with a silver wolf's head handle instead of a blind man's white cane. He was, he says, "a walking cliché."

After completing college with a degree in philosophy, Knipfel enrolls in graduate school at the University of Minnesota, where he teaches an introduction to humanities course. He complains, however, that his students simply regurgitate his lectures back to him in garbled form. ("Nietzsche's sister married an anti-semantic." "The poem argued for carpe diem — that is, 'seize the day.'" "And he soon dies of 'wringing papers about papers other people had written about books other people had written about some cultural icon or work of art.'" He turns to a life of petty crime.

He orders some brass knuckles from an ad in *Soldier of Fortune*, learns the craft of shoplifting and begins hanging out with "dealers, other thieves, bookers, pimps, a few men who claimed to be murderers."

Shoplifting, it turns out, will be only one of his many careers. He also works at a used-book store and a pornography shop. He tries running a bar, works as a guard at the Guggenheim Museum, and takes a long-term job as a receptionist (a decidedly undiplomatic one, it must be said, who tells callers they've got "25-to-1 odds" of talking to the person they're calling).

As Knipfel's eyesight deteriorates, it becomes increasingly difficult to get to work or run the most mundane errands.

He finds himself walking in "a lunch-back shuffle" to avoid getting hurt. He uses his wide-brimmed hat, like a cat's whiskers, as a sort of early warning system for objects he might run into. And he divests himself of most of his possessions (including his beloved books) so he can better navigate his apartment. His life grows progressively smaller. "I had never much liked going out before," he writes, "even when I could see, but now, whenever someone asked me to stop by, or meet at a bar, or go out to dinner, my throat tightened, dread filled my guts."

In time Knipfel does learn to deal with his blindness, just as he learned to deal with his seizures. With the help of his "home survival trainer" (who gives him a talking clock and oven mitts that cover his arms) and "the cane lady" (who teaches him how to get around the city), he slowly recovers his feisty independence. He recounts the bizarre tale of enrolling in a track safety program that is meant to teach blind people how to survive a fall onto the subway tracks. And he provides a bitter but darkly comic account of his efforts to deal with the competing agencies set up to help the blind.

Some of Knipfel's anecdotes sound overly polished, like the sort of anecdotes performers tell and retell on talk shows. And his writing occasionally slips into cliché. "Some people drink because it's Christmas Eve and they want to celebrate," he observes. "Others drink just because it's Christmas Eve." A couple of pages later, he declares that he "was born with an infant's body and a 100-year-old's spirit." Such lapses, however, are rare in a book that displays remarkable elan and some wicked black humor in chronicling "the weirdness parade" that has been Knipfel's life.

New York Times Service

BRIDGE

By Alan Truscott

GEORGE RAPEE, who died at his Florida home earlier this month at 83, was one of the great figures in the game for more than 60 years. He won three world titles, and for the period in which he was most active, 1942-80, he had the best record of success in major team championships, with six Spingold Team victories, eight Vanderbilt Teams and seven Board-a-Match Teams.

He was a master bidder and laid the idea, described and publicized by his partner, which became the Stayman convention. One authority states that in his heyday he was the least likely player to make an error. He was supremely ethical and had none of the rough edges that

most of his contemporaries exhibited.

In the 1953 world championship in New York, Rapee held the South hand shown in the diagram. He unexpectedly found himself in game in hearts after his Swedish opponent, who tended to overcall with shaky suits, had bid one heart over the

NORTH
♠ A J 8
♥ A
♦ J 8 7
♣ —

WEST
♠ 10 6
♥ —
♦ —
♣ K 10 6 5 3

EAST
♠ 4 2
♥ K 10 8
♦ —
♣ Q 8

SOUTH
♠ Q 9
♥ J 9 3
♦ —
♣ J 9

one-diamond opening.

He won the opening diamond lead with dummy's king and led a low trump, winning with the queen when East played low. He led the diamond 10, and West ruffed, noting that his partner played the queen to signal for spades. When he played that suit, South finessed, and the king won on his right. The club ace was played, forcing dummy to ruff, and East perhaps thought he would score two trump tricks. But after South had cashed the diamond ace, the position was as shown at left.

When another diamond winner was led, East ruffed with the heart king, and South threw a club. Another club forced dummy to ruff with the ace, and another diamond winner was led. Rapee ruffed this with the three, shortening

his trumps, and led a spade to the ace. Dummy's last diamond was led, and East was helpless: His trumps were trapped in a coup position.

NORTH (D)
♠ A J 8 5
♥ A 8 5
♦ A K J 8 7 5
♣ —

WEST
♠ 10 6 3
♥ —
♦ —
♣ K 10 7 6 5 3 2

EAST
♠ K 4 3
♥ K 10 8 4
♦ —
♣ A Q 8

SOUTH
♠ Q 9 7
♥ Q J 9 3
♦ —
♣ J 9 4

Neither side was vulnerable. The bidding:
North: 1♣, 1♥, 2♠, 3♠, 4♠, 5♠, 6♠, 7♠, 8♠, 9♠, 10♠, 11♠, 12♠, 13♠, 14♠, 15♠, 16♠, 17♠, 18♠, 19♠, 20♠, 21♠, 22♠, 23♠, 24♠, 25♠, 26♠, 27♠, 28♠, 29♠, 30♠, 31♠, 32♠, 33♠, 34♠, 35♠, 36♠, 37♠, 38♠, 39♠, 40♠, 41♠, 42♠, 43♠, 44♠, 45♠, 46♠, 47♠, 48♠, 49♠, 50♠, 51♠, 52♠, 53♠, 54♠, 55♠, 56♠, 57♠, 58♠, 59♠, 60♠, 61♠, 62♠, 63♠, 64♠, 65♠, 66♠, 67♠, 68♠, 69♠, 70♠, 71♠, 72♠, 73♠, 74♠, 75♠, 76♠, 77♠, 78♠, 79♠, 80♠, 81♠, 82♠, 83♠, 84♠, 85♠, 86♠, 87♠, 88♠, 89♠, 90♠, 91♠, 92♠, 93♠, 94♠, 95♠, 96♠, 97♠, 98♠, 99♠, 100♠.

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Trib Tech

Carmakers Are Going an Extra Mile With Fuel-Cell Technology

DETROIT — The future of advanced-technology vehicles received a big charge this week when four automakers announced major investments in the development of fuel cells.

General Motors Corp. and Toyota Motor Corp. unveiled a five-year partnership in fuel-cell technology Monday, while DaimlerChrysler AG and Ford Motor Co. said Tuesday that they would put a demonstration fleet of fuel-cell vehicles on the road next year.

Fuel cells combine hydrogen and oxygen in a chemical reaction that creates electricity to power a vehicle. Unlike the toxic gases that pass through the tailpipes of conventional fossil-fuel cars, water vapor is the only waste expelled by hydrogen-fuel cells.

The auto industry wants to test the reliability and operating cost of fuel-cell technology partly because California expects 2 percent of the vehicles that a major automaker sells in the state to generate no emissions by 2003. Either

electric vehicles or fuel cells can meet that criteria.

Fuel-cell development technology promises to solve a major problem with the driving range of zero-emission electric vehicles.

The best battery-powered electric cars generally travel about 120 miles (190 kilometers) before their batteries run down. That has been a disincentive to consumers, as reflected in poor sales of GM's \$44,000 EV1 electric car. Fuel-cell vehicles are expected to have twice the range.

The EV1's price, which works out to a heavily GM-subsidized monthly lease payment of \$499, has been a consumer turnoff as well.

But by working together, GM and Toyota have a better chance of controlling the costs and improving the technology of electric vehicles, said Harry Pearce, the deputy chairman of GM.

The partnership brings together the considerable research and development talent of GM and Toyota, which together account for 25 percent of global auto

production. The companies declined to put a value on the program, but GM executives said they had spent more than \$1 billion on advanced-technology vehicles since 1990 and would put hundreds of engineers on the latest project.

City buses may be the most appropriate way to introduce fuel-cell technology, Mr. Pearce said. That is partly because the fuel cells may require bulky equipment to extract hydrogen from a more common fuel, such as methanol, that could be loaded onto the buses from a central refueling station, he said.

Conversely, Mr. Pearce said, extensive research will be devoted to emerging-market vehicles that may bypass gas-powered internal-combustion engines entirely, and that may use electric motors

instead. "In these markets, you don't need many kilowatts under the hood to put a society on wheels," he said.

Akihiro Wada, the executive vice president of Toyota, described hybrid vehicles with gas and electric motors working in tandem as the most promising technical option for alternate-power vehicles. Annual output of such vehicles could surpass that of traditional gas-powered engines early in the next century, Mr. Wada said.

GM and Toyota have been at the forefront of advanced-technology development. GM was the first to market with a new electric vehicle when it introduced the EV1 in 1996. It is also working on several hybrid-electric concepts and has exhibited a methanol-based fuel-cell vehicle.

Toyota was the first automaker to sell a gas-electric hybrid when it introduced the Prius subcompact in Japan in 1997. Toyota expects to turn a profit on the Prius next year, after the car is introduced in the United States and Europe. The current version of the car, available only in Japan, is losing money, Mr. Wada said.

THE TOKYO-BASED company also sells several battery-powered electric vehicles, including a version of the RAV4 sport-utility vehicle in California, and is working on several fuel-cell concepts.

Ford and DaimlerChrysler plan to test a fleet of 10 cars and five buses powered by fuel cells, joining Ballard Power Systems of Canada, the state of California and three oil companies in working on the vehicles.

The oil companies are Texaco Inc., Atlantic Richfield Co. and Shell Oil Co., which will be responsible for refining low-sulfur, or perhaps zero-sulfur, feedstocks to be used in hydrogen-cell engines.

The feedstocks are needed to produce hydrogen, which combines with oxygen in a chemical reaction to generate the electricity that powers the vehicles. Ford owns 15 percent of Ballard, which will make the fuel cells, while DaimlerChrysler owns 20 percent.

If the Ford test is successful, the pilot program will be expanded to 40 cars and 40 buses by 2003, a Ford spokesman said.

Rivals such as Bayerische Motoren Werke AG also are experimenting with fuel cells. Last month, DaimlerChrysler unveiled the Necar 4, the first drivable prototype of a zero-emissions fuel-cell car in the United States. The company said it hoped to sell 40,000 fuel-cell vehicles annually by 2004.

Last year, the president of Mitsubishi Motors Corp., Katsuhiko Kawasoe, said his company and Mitsubishi Heavy Industries Ltd. were working jointly on developing vehicles powered by fuel cells, and they aimed to have a commercially feasible vehicle ready by 2005. (WP, Bloomberg, LAT)

ALT / Review



IBM refers to its latest notebook, the ThinkPad 570, as a "transformer." Its design allows the basic computer to slide out, providing the user with a lighter portable to take along.

Laptops Take On Split Personalities

By Saul Hansell
New York Times Service

NEW YORK — Pity the poor notebook computer designer. Everyone complains that notebooks are too heavy. But when manufacturers try to make more svelte machines, users say the screens are too small and the floppy disks and CD-ROM drives are missing.

That is why many notebooks now come with an array of flaps, bays and compartments into which disk drives and batteries can be added or removed. Other machines start small, but wind up looking like snake pits as all manner of devices are plugged in from the outside.

International Business Machines Corp. is trying to appease the schizophrenic notebook user with a new model introduced this week.

Called the ThinkPad 570, the machine is the replacement for its 560 model, a leader in the 4-pound (1.8 kilogram) ultraportable category. IBM calls the machine a "transformer," after the U.S. cartoon series about robots that morph into different shapes.

In one incarnation, the 570 appears to be a somewhat bulky traditional notebook of the kitchen-sink variety.

Two inches (5.1 centimeters) thick and weighing 6.8 pounds, the machine has a floppy drive, a CD-ROM or DVD drive and room for two batteries. But push a button on the front, and a four-pound, one-inch-thick laptop emerges, leaving all those drives behind in a single base unit.

"People want a desktop replacement, but they also want the flexibility to take off when they need," said Adalio Sanchez, general manager of IBM Mobile Computing.

Martin Reynolds, a research fellow at Dataquest Inc., says that the 570 is part of a series of well-designed products that has helped IBM regain momentum in the notebook market after losing ground earlier this year.

Still, he said, Dell Computer Corp. has burst forward to take the lead in notebooks for the first time this year, with Toshiba losing the greatest amount of market share.

THE TRANSFORMER concept represents "some breakthrough thinking," Mr. Reynolds said. "But I still would be inclined to bet that it's not going to be a barn-burner. The market has not liked ultraportable machines alone. And in its big version, it's bigger than other full-featured notebooks."

IBM has set the price of the 570 higher than the smaller but more pared-down Sony Vaio 505 and at about the same price as the similar Protege line from Toshiba.

The cheapest of IBM's 570 configurations is \$2,699, for the notebook machine only, with a 300-megahertz Pentium II processor and a 12.1-inch screen.

The top version has a 13.3-inch screen and a 366-megahertz processor for \$3,599. To get the full transformer effect, customers must get an "ultrabase" unit for \$119, and a CD-ROM drive for \$135. Watching movies on the laptop will require a DVD drive for \$335.

An Upstart Chips Away at Microsoft

Linux Grabs Some of the Comdex Spotlight From Windows 2000

Compiled by Our Staff From Dispatches

CHICAGO — Microsoft's Windows operating system was right now, but you would not know it from the enthusiasm surrounding upstart Linux.

While Microsoft Corp.'s chairman, Bill Gates, was proudly introducing Windows 2000 at the spring Comdex computer conference this week, scores of techies instead focused on Linus Torvalds, who developed the Linux operating system as a student in Finland in the early 1990s.

"Linux, will you sign this?" pleaded Margaret Hadam, a 20-year-old Loyola University student, jamming a program guide in Mr. Torvalds' face.

Linux is a version of the Unix operating system used by businesses to run computer networks and Internet sites. Linux can be downloaded for free off the Web; commercial versions with additional features can be bought at retail stores for \$30.

Ms. Hadam and others praise Linux because its source code — the programming language that makes Linux run — is also freely available, allowing programmers to personalize it to suit their needs.

Mr. Torvalds said his system was gaining popularity because it gives people what they want.

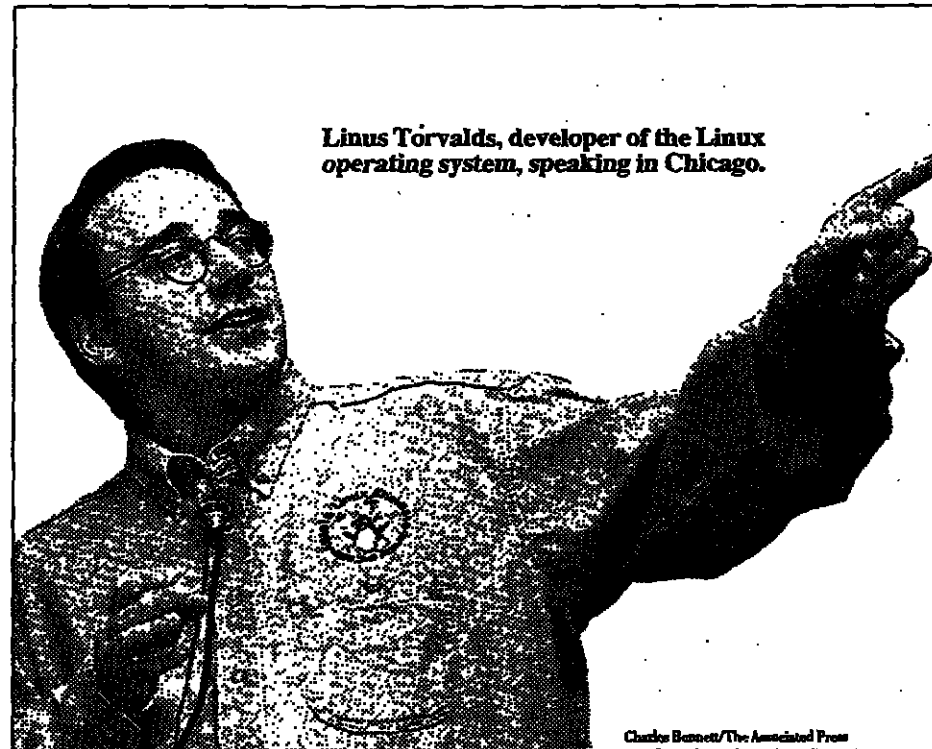
"It didn't get to this point because of the hype," Mr. Torvalds said. "It got here because it does what people want it to do. Let's not forget that."

Linux has 10 million users and accounted for more than 17 percent of all computer-server operating-system shipments last year, according to the research firm International Data Corp.

Mr. Torvalds said he received no money from Linux or the companies that stand to profit from it. He was less than flattered to Microsoft, calling it a "big brother" that tells people "what to do and when."

In an internal memo in November, Microsoft described Linux as posing a "significant" revenue threat to its Windows NT system, which runs high-speed corporate computers.

Still, Linux's use in business computers is a tiny fraction of



Linus Torvalds, developer of the Linux operating system, speaking in Chicago.

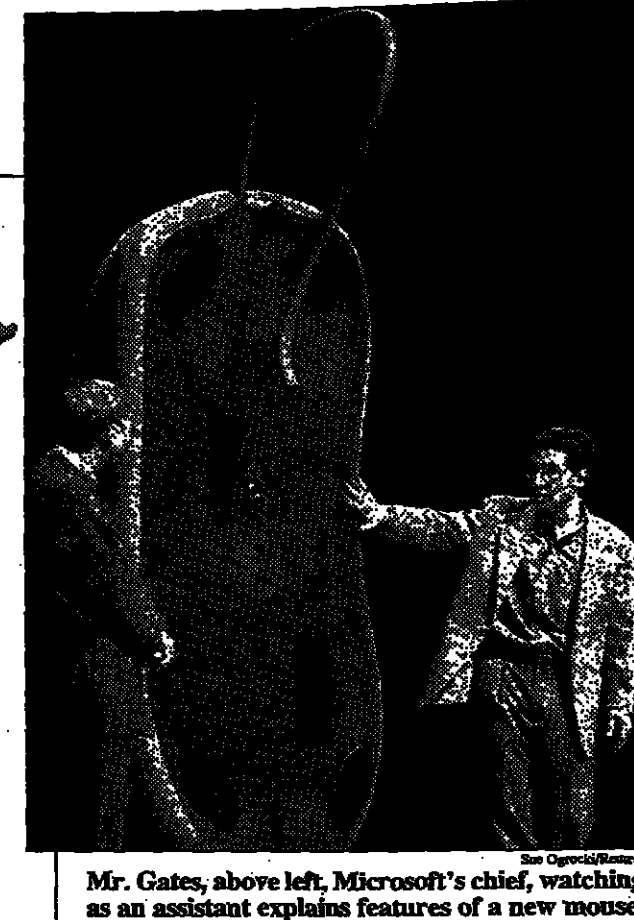
more established Unix systems and Windows NT, and the software rarely appears on desktop computers.

Meanwhile, Windows 2000, the other operating system on center stage this week, was introduced by Mr. Gates at Comdex on Monday.

Windows 2000, the latest generation of the Windows NT business-oriented operating system, is Microsoft's most ambitious foray into the corporate market. It is designed to compete with large network systems made by Sun Microsystems Inc. and Novell Inc. It is also the cornerstone of an array of software for doing business on-line.

Company executives say the latest test version of Windows 2000 will be distributed to companies nationwide by next month and will be on the market by the end of the year. Improvements include easier ways for company employees to transfer computer documents into laptops to take on the road, Mr. Gates said.

HE ALSO SHOWED his sense of humor by showing a clip of last year's embarrassing computer crash during the debut of Windows 98. In it, Chris Cappelletto, an assistant, looked unpleasantly surprised when a blue "error"



Mr. Gates, above left, Microsoft's chief, watching as an assistant explains features of a new mouse.

screen popped up for all the world to see.

"A lot of people have asked me in the last year, 'What happened to that guy?'" Mr. Gates told the crowd.

Mr. Cappelletto then walked onto the stage to the tune of "I Will Survive" and successfully orchestrated a demonstration of Windows 2000 as well as other new Microsoft products, including a new computer mouse that has no dust-prone moving parts underneath and can be operated on most surfaces.

The mouse takes 1,500 "pictures" a second to detect movement and direction, making the device more reliable and eliminating the need for a mouse pad.

Not everyone was impressed with Microsoft's extravagant displays. "Microsoft does a really, really good job of selling," said Mike Ho, a student at Northwestern University who attended Mr. Gates' speech. "But a lot of the things from today I've already seen from other companies, like Apple."

This week's spring Comdex show was expected to draw 80,000 people and 500 companies and exhibitors to the McCormick Place convention center on Lake Michigan.

Comdex is sponsored by Ziff-Davis Inc., which publishes computer-related magazines and is a unit of Tokyo-based Softbank Corp. (AP, Bloomberg)

Old VCR Rivals Gear Up for New Battle Over CD Formats

By Yuko Inoue
Reuters

TOKYO — Sony Corp. and Matsushita Electric Industrial Co., arch-rivals in the Betamax-VHS fight over technology for videocassette recorders, are set to wage another format battle for a new generation of audio gadgetry.

The bell for the next round will ring this summer, when competing camps of consumer electronics makers introduce two separate optical disc formats in Japan. They are targeting the vast replacement market for conventional audio compact discs.

The formats are similar in size, capacity and quality but are

incompatible with each other.

As in the clash of the electronics titans 10 years ago, analysts say Matsushita, which manufactures under the Panasonic and National brands, is the odds-on favorite because of its cheaper products.

But they also predict this will be no simple rematch of the VCR contenders. With current CDs already offering high-quality sound, analysts are by no means certain that a fancier format will find eager buyers.

"Many audio fans nowadays are content with the current CD technology and see no need to jump into new technologies," said Masahito Ono, an analyst at Warburg Dillon Read. "The format war this time will be a lot different from that of VCRs in the 1980s."

The new disks, which are not recordable, look just like conventional CDs, but pack in seven times more information and produce superior sound quality.

Both systems will also be compatible with the estimated 12 billion CDs using the existing format that have been sold worldwide since 1982.

Fueling the Matsushita camp's aggressive push for a new format is a desire to shake free of more than 30 billion yen

(\$252 million) in annual patent royalties that companies must pay to Sony and Philips Electronics NV in order to use their conventional CD technology.

Matsushita, joined by Toshiba Corp. and 41 other hardware manufacturers and recording companies, is promoting DVD audio, an audio version of the digital videodisk format already available on video machines and computers.

Analysts said the large number of manufacturers and content providers in the group will bring down product prices quickly. The company said last week that its DVD audio player, to be introduced in Japan this summer, would be priced from 100,000 yen to 200,000 yen.

To counter DVD audio, Sony and Philips have developed their own Super Audio CD format that Sony plans to begin selling in Japan on May 21.

Sony will initially pitch the product to serious audio fans, with the first models priced at 500,000 yen, although prices would be brought down to mass-market levels in around three years.

"Sony is deliberately aiming its initial products at the high-end market because this is where the system will be easily accepted," Mr. Ono said. "But the DVD audio format is in a much better position to develop the overall market."

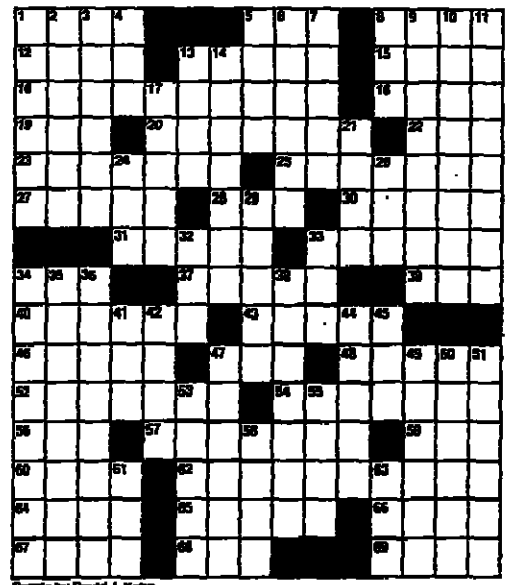
CROSSWORD

ACROSS

- 1 Aid's partner
- 3 Things to be edited: Abbr.
- 6 — buco
- 12 One who won't budge
- 13 Stir up, in a way
- 15 King who married Jezebel
- 16 1961 Elvis film
- 18 Reframer Jacob
- 19 Fortune
- 20 Loose sleep (over)
- 22 Notre Dame is on one
- 23 It's 50-50
- 25 Makes ineffective
- 27 Arm bones
- 28 Grip
- 30 Motorboard tossers
- 31 Make up (for)
- 33 1993 expansion team member
- 34 Dance specialty
- 37 Spanish queen
- 38 Denouement
- 40 Captivity
- 43 "Brazil" hit-maker, 1940
- 46 Caught in —
- 47 Will person: Abbr.

DOWN

- 1 "Journey into Fear" mystery novelist, 1940
- 2 Popular watch
- 3 Removed chemically
- 4 Pipe joint
- 5 Complaint
- 8 Sport in which competitors don't want breaks
- 7 Colar
- 8 Sweep
- 10 Bottled spirits
- 12 Wrongly classic
- 14 Job for a rancher
- 16 Year in the papacy of St. Leo IX
- 17 Part of a series
- 18 Day
- 20 Others, in Latin
- 22 Theme of this puzzle
- 24 Check
- 25 Piano exercise
- 26 "Tel — the judge"
- 27 Sallinger story subject
- 28 Usher
- 29 Dermatologist's concern
- 31 Large, meaty mushroom
- 32 Came to port
- 33 Punish
- 34 Live some shoes
- 37 Equestrian's attire
- 39 Kellogg brand
- 40 Actress Peoples
- 41 — lamp
- 42 Keep treating a black eye, maybe
- 43 Crime-time Bruin star
- 44 Tasse
- 45 Pippin, to Jordan, once
- 46 Greater —
- 48 Bombay-based religion
- 49 Sister's calling
- 41 Gullit
- 42 Mayberry boy
- 44 Correspond
- 45 Gullit's Nugent
- 47 Islamic worshiper
- 48 Bedwear: Var.
- 49 Coastal features
- 51 Member of a headdressing people in the Philippines
- 53 Salesman's preparation
- 55 Upper hand
- 56 Tire feature
- 57 Suburban finale
- 58 Game opener



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Solution to Puzzle of April 21

AGAS AID SAW
INRE USLY APAGE
RAIN NILE URGED
SWASHBULDER DIAS
OILIER LIT
STARVE BOARDS
ORR ESTERS TOAT
WARRS BEA AETNA
EDAM TARMAS HER
DESIRER CROSS
NAT FACET
MISC SEVESTATE
EMOTE EARS AHAB
FETTES TRES WACO
TEAN SSS ASON

Internet address:
<http://www.ihl.com>

BRIEFLY

TO RUSSIA WITH SOFTWARE:

Software AG, a German maker of database products, is to sell new software in Russia at bargain prices to upgrade material pirated in the Soviet era. The company said its products became well known during the 1970s, when Soviet programmers illegally copied Western technology because they could not import it. (Bloomberg)

KEEPING IN TOUCH: AT&T

Corp. and Hong Kong-based iMagine Information Technology Ltd. installed 20 interactive touch-screen public phones at John F. Kennedy International Airport in New York City. The phones allow users to get flight information, check their electronic mail and order flowers, rental cars or hotel rooms. (Bloomberg)

VARIETY OF APPLE:

Apple Computer has introduced a new version of its QuickTime multimedia software designed to permit computer users to receive video and audio programming over the Internet. (NYT)

TECHNOLOGY INDEX

Technology stock indexes around the world:

North America	Tuesday close	Pct. change previous week	Pct. change, year to date
Pacific Stock Exchange	482.52		+7.42
S&P Tech Composite	1,245.14		+6.59
Europe			
Morgan Stanley Eurotec	606.42		-0.67
Asia			
Topix Electric	1,872.71		+21.41

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see Trib Tech on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

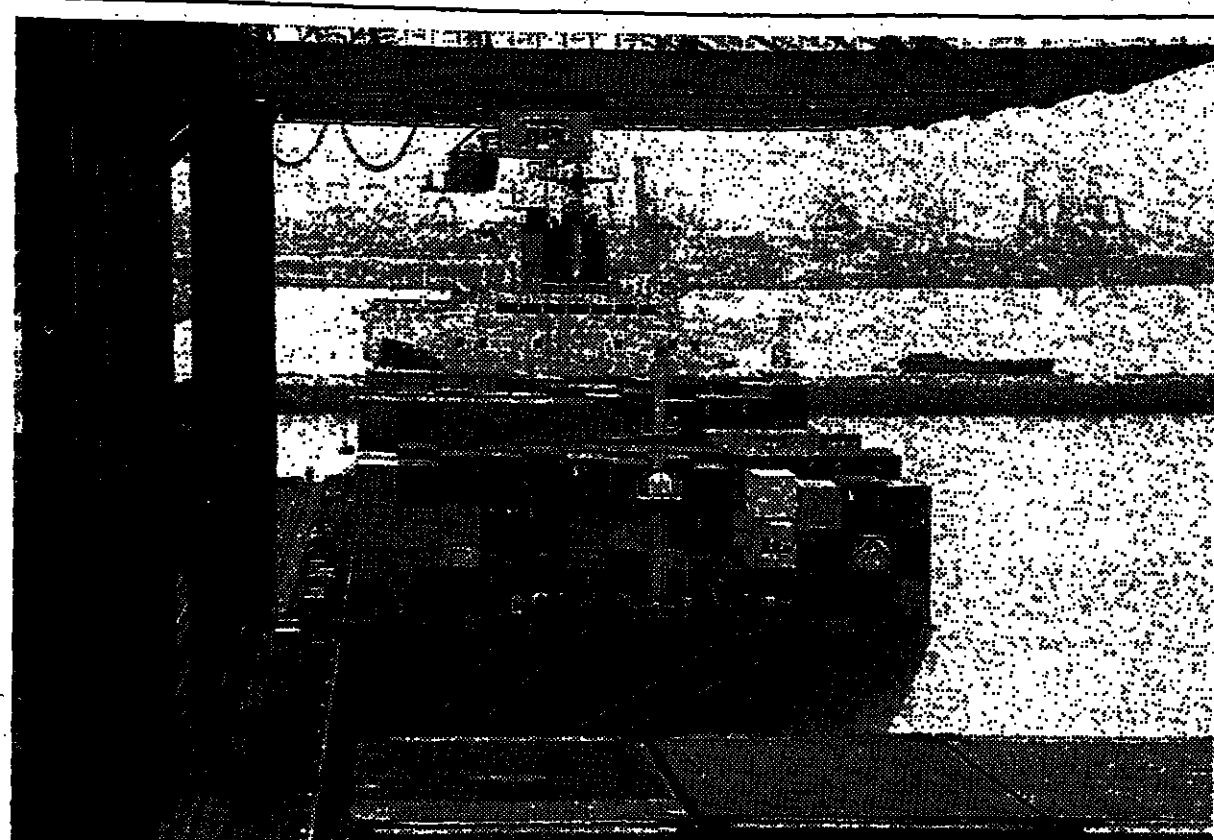
- Europe Is Getting With the Program, April 18
- Deutsche Telekom Seeks Capital to Grow Abroad, April 18
- Sony and IBM Join on Digital Broadcasting, April 18
- A European Phone Giant In Works? April 17-18
- Italy and Germany Halt Telecom Deal, April 19
- Tire-Kicking Enters the Internet Age, April 18
- The Man Who Pulls Cords Out of the Fire, April 20
- STMicroelectronics Posts 16.5% Profit Gain, April 21
- Telecom Italia Moves on Merger, April 21
- High-Tech Hangover: Nervous Investors Go Back to Basics, April 21

To reach Trib Tech editors or to comment on IHT tech coverage, send e-mail to tribtech@ihl.com. International Herald Tribune

سكنا من الأمل

THURSDAY, APRIL 22, 1999

PAGE 11



Containers in Los Angeles often go empty to Asia, where they are filled and sent back — at a premium.

Shipping Encounters a Sea Change

But Low Profits Stymie a Shift to the Era of Deregulation

By Andrew Pollack
New York Times Service

LOS ANGELES — The ocean-shipping business will be largely deregulated May 1, setting off a scramble among shipping lines to lure customers with discounts. The same day, however, virtually all ships carrying goods from Asia to the United States plan to raise their rates by the same mutually agreed amount.

If this sounds contradictory, it is. But the state of affairs reflects the forces buffeting the shipping business, which is going through some of the biggest changes in its tradition-bound history.

Under the partial deregulation, container shipping lines for the first time will be able to sign individual confidential contracts with importers and exporters. The competition to sign up such customers is expected to greatly loosen the grip of the cartels that have legally set rates for ocean shipping for more than a century.

But the shipping industry's unusual immunity from U.S. antitrust laws — something it has had almost ever since there were antitrust laws — is not

being eliminated. So even as they enter a less regulated era, the shipping lines, reeling from low profits and overcapacity, are collectively raising rates on imports from Asia by 30 percent or more.

The result is a clash between the old and new ways of doing business, and no one is quite sure how it will turn out. Many analysts say that eventually container shipping will follow the paths of airlines, trucking and railroads, which began their deregulation two decades ago. There will be lower prices and better service over all but also a brutal period of mergers and bankruptcies among the competitors.

Others say that the continued right to set rates collectively will blunt these effects.

Regardless of which way shipping costs move, consumers might not notice much difference. This is because, for most goods, such as imported sneakers or videocassette recorders, shipping costs contribute only a tiny amount to the final price.

Still, with more than \$400 billion in goods entering or leaving the United States each year on container ships, even little changes mount up.

Moreover, shipping lines, pressed to cut costs further, might make even more demands for concessions from taxpayer-subsidized ports. Sea-Land Service, a unit of CSX Corp., and Maersk Inc. of Copenhagen, a subsidiary of AP Moller Group, are now making such demands of the ports of New York and New Jersey and Baltimore, which are vying for the lines' business, with jobs and income at stake.

The last thing many shipping executives want right now is more competition. The economic downturn in Asia, which has led to record trade deficits for the United States, has also caused serious imbalances for their lines. Ships bringing imports to the United States from East Asia, the largest trade route in the world, are stuffed to capacity, but the ships going back to Asia are half-empty. Shipping lines say they need revenue on both legs to make a profit. And that is why they are raising rates in the busy direction.

"I've been in the business 30 years, and the imbalance has never been that bad," said Albert Pierce,

See SHIPPING, Page 12

Italy and Germany Set Telecoms Deal

Tax Questions Held Up Final Announcement

Compiled by Our Staff From Dispatches

ROME — Telecom Italia SpA's board agreed to a takeover offer by Deutsche Telekom AG, which may thwart Olivetti SpA's \$65 billion hostile bid, after Germany pledged not to meddle in the management of the new company, a statement from Telecom Italia said late Wednesday.

The move, which still needs acceptance by 90 percent of Telecom Italia investors, would combine Italy's and Germany's top phone companies into the world's biggest by value at \$190 billion. Terms of the offer will be released this evening, Telecom Italia said.

"The big question is whether Telecom Italia investors will go for this plan, with two rival offers on the table," said Deirdre Ernest, an analyst at Caboto SIM. "Telecom Italia and Deutsche Telekom will have to be really convincing about their business strategies."

Deutsche Telekom's strategy for the Italian company will play a key role in swaying shareholders because its offer is stock only. Without a convincing plan for lifting profit at the two former monopolies that have suffered from the deregulation of European phone markets, Olivetti's mostly cash and bonds offer may be more alluring.

The agreement's announcement, originally scheduled for Wednesday afternoon, was delayed because of last-minute problems connected with potential tax liabilities, sources familiar with the deal said.

Indicating another potential problem, the Italian Treasury Ministry said the Italian government was holding negotiations with Germany about creating "parity" in the transaction and Germany's commitment to sell its stake.

Telecom Italia and Olivetti, which is one-seventh the size of its prey, have battled for two months. Olivetti has already raised its bid once to lure investors away from Chief Executive Franco Bernabè's defense plan. Shareholders failed to approve that plan just more than a week ago, sending Telecom Italia scrambling to rope in a foreign ally to arrange a higher rival bid.

Deutsche Telekom is likely to offer one of its shares for every three Telecom

Italia common shares, a Telecom Italia board member said Tuesday. At Deutsche Telekom's closing price Wednesday of 36.08 euros (\$38.41), this value each Telecom Italia share at 12.02 euros, topping Olivetti's offer of 11.5 euros in cash, stock and bonds.

After Wednesday's gain, Telecom Italia shares are still below both offers. Olivetti's bid prospectus was expected to be approved by Italy's Consob securities regulator as soon as Thursday, allowing Olivetti to open its offer before the end of the month.

Telecom Italia said Tuesday that a new holding company would make a stock offer for all Deutsche Telekom common and Telecom Italia common and savings shares. The new company will be managed on the basis of "parity," and its stock will be traded in Milan, Frankfurt and New York, Telecom Italia said.

Telecom Italia's board said Tuesday that the merger agreement would have to be "substantially a merger of equals." It did not specify what weight each company would have in a new holding company to be set up to combine the two firms. The Italian government owns just 3.4 percent of Telecom Italia, but its so-called golden share gives it veto power over major decisions like mergers.

Telecom Italia has not addressed how the shares that Telecom Italia does not own in its Telecom Italia Mobile SpA cellular unit will be treated. People familiar with the Italian company said the new company was likely to buy the cellular shares at a later stage, adding 20 billion euros or so to the transaction's value of about 80 billion euros.

Germany won't limit the voting rights on its 72 percent of Deutsche Telekom but will abstain from interfering in management after the takeover, the board member said. With that commitment in hand, Telecom Italia will call a shareholders meeting to approve the offer.

Hans Gottfried Bernath, head of Germany's Federal Office for Post and Telecommunications, said the government was committed by law to holding a majority stake in Deutsche Telekom until 2000. Giving up its stake before that, and with that its voting rights in the company, would "demand a legislative change," he said. (Bloomberg, AP)

Japan's Surplus for Year Grows 23%

Compiled by Our Staff From Dispatches

TOKYO — The trade surplus grew 23 percent in the year that ended March 31, reaching the second-highest total ever recorded, the government announced Wednesday.

The merchandise trade surplus, the measure of all goods exported by Japan minus those imported, rose 23.1 percent from the previous year, to 14.10 trillion yen (\$118.61 billion), the Finance Ministry said.

The figures indicate that government spending on public-works projects has not yet ignited consumer demand. Falling wages, rising unemployment and cutbacks in corporate investments in plant and equipment continue to drag down growth.

The politically sensitive trade surplus with the United States rose 24 percent, to 6.69 trillion yen, for the year. Exports to America rose 4.2 percent, to 15.16 trillion yen.

In March, the surplus with the United States rose 29.1 percent from March 1998, to 570.30 billion yen.

The trade figures were announced amid bilateral economic and trade talks in Washington that may refocus atten-

tion on U.S. calls for Japan to deregulate and further open markets for flat glass and medical equipment while not opening foreign-dominated niche insurance markets to domestic competition.

Prime Minister Keizo Obuchi is to meet with President Bill Clinton in Washington on May 3 in a summit meeting at which the weak Japanese economy is sure to be a key topic.

Yet analysts say trade-bashing trade fights are unlikely. "I don't think frictions are as high as they were a few months ago," said Matthew Poggi, an economist at Lehman Brothers Japan Inc. in Tokyo. "I think people in the U.S. Treasury and people in the U.S. administration are more understanding that Japan needs to generate growth somehow," he said.

Imports fell 11.3 percent from the previous year, to 2.97 trillion yen, led by a drop in shipments of aircraft, crude oil and clothing. Exports fell 6.2 percent, to 4.31 trillion yen, reflecting a drop in purchases of steel, computers and automobiles from abroad.

In March, imports fell 1.2 percent from February as exports gained 6.4 percent. The Ministry of Finance did not release details on which products led

exports and imports for the month. Japan's surplus with the European Union shrank 6.3 percent in March, the first narrowing in four months, to 332.1 billion yen. The surplus with Asia narrowed for the 12th time in 13 months, to 418.2 billion yen, down 9.8 percent from a year earlier.

A Japanese Finance Ministry official, speaking on condition of anonymity, said that the government believed Japan's trade balance with the world was stabilizing. He said that despite the 23 percent jump last year, a quarterly breakdown showed that the rate of increase slowed sharply in the third and fourth quarters of the year.

The surplus rose 46.3 percent in the first quarter and 42.8 percent in the second quarter. In the third quarter, it rose 7.8 percent, and it gained just 3.6 percent in the final quarter. In February, Japan's trade surplus fell 32.2 percent, the first decline in three months and only the second since April 1998.

The ministry official said the narrowing of the trade balance was due mainly to continued low levels of exports to the rest of Asia.

(AP, Bloomberg, Reuters)

Crisis Strategies Focus on Private Sector

By Mitchell Martin
International Herald Tribune

WASHINGTON — Initiatives to put some of the burden of dealing with global financial crises on private companies appear to be gaining favor with governments, statements by British, International Monetary Fund and U.S. officials indicated Wednesday.

U.S. Treasury Secretary Robert Rubin said other countries had joined the United States to create "a powerful program of reform" in the aftermath of the economic turmoil that began in Asia in 1997.

Mr. Rubin, speaking at Johns Hopkins University in Baltimore, said the United States and its allies were focusing on an approach that would involve the private sector in dealing with crises and would help developing countries avoid some of the pitfalls that triggered the turmoil. The Associated Press reported.

Details of the plan remained sketchy, but Agency France-Press reported that Mr. Rubin said foreign private creditors would have to take responsibility when their emerging-market loans go sour.

Separately, in Washington, Michel Camdessus, the managing director of the

International Monetary Fund, suggested that a related American proposal to provide aid to countries before they get in trouble was gaining favor.

After the financial crisis began with the depreciation of the Thai baht in 1997, investors began to withdraw money from other developing countries, first in Asia, then elsewhere. As the aversion to risky investments grew, capital flows dried up, putting further pressure on countries and companies that would not otherwise have found themselves in trouble.

See IMF, Page 12

CURRENCY RATES

Cross Rates		April 21		Other Dollar Values		April 21	
London (a)	1.6066		2.4238 192.465	2.393	11.26	994.26 13.499	
New York (b)	1.6067		1.51 119.765	1.475	7.019	207.21 8.498	
Tokyo	118.80	191.40	72.29	79.80	17.00	N.Q.	14.20
Yoronto	1.487	2.389	0.9865	1.342	0.2124	0.4838	0.1771
Zurich	1.5075	2.4233	1.2887	1.0118	21.5206	0.4897	0.1796
One euro	1.9386	0.6593	1.40	126.26	1.5775	7.4326	236.20
One SDR	1.3572	0.8394	2.044	160.55	2.0215	9.47	415.074
11.339							
Euro Values							
Fixed rates of the ERM member countries, for one euro:							
Austrian schilling	13.7603						
Belgian franc	40.3399						
French franc	6.55957						
German mark	1.93603						
Irish punt	7.87564						
Italian lira	1,936.27						
Spanish peseta	166.639						
Portuguese escudo	200.482						
Swedish krona	103.760						
Swiss franc	1.93603						

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Internet Portals

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Offshore Hedge Funds

Medical Services

Telecommunications

Arts

Offshore Hedge Funds

Medical Services

Telecommunications

Arts

Offshore Hedge Funds

Medical Services

Telecommunications

Arts

Offshore Hedge Funds

Medical Services

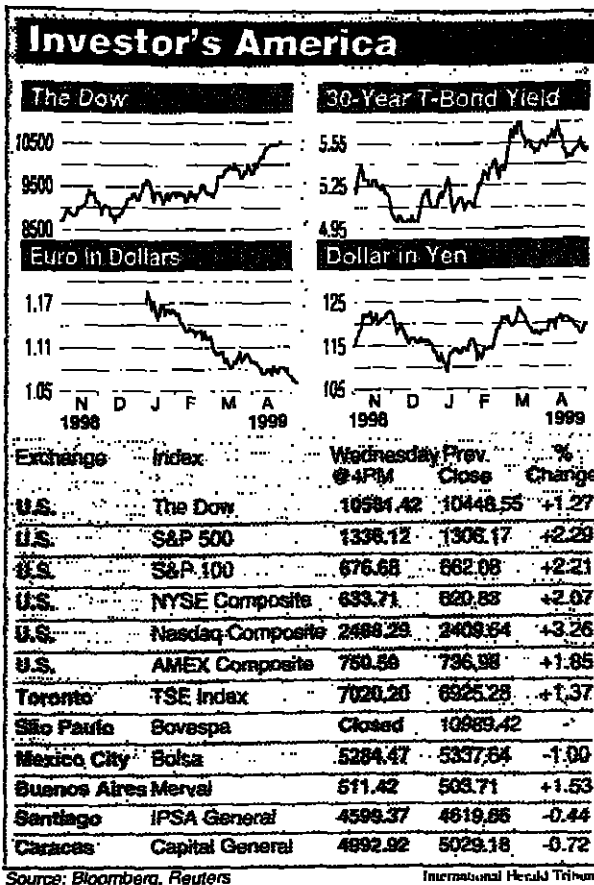
Telecommunications

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THE AMERICAS



Profit Falls At Compaq, As Forecast

The Associated Press

NEW YORK — Compaq Computer Corp. reported a \$281 million first-quarter profit Wednesday that met its own recently diminished forecast, hurt by stiff price competition and slow sales of its most profitable business computers.

The results were released four days after the top maker of personal computers forced its chief executive to try to restore Compaq's credibility on Wall Street.

A week earlier, the company warned it would earn less than half the profit that analysts had been expecting for the quarter just ended.

Compaq's first-quarter results sharply exceeded its year-end profit of \$1.6 billion, but they were below what Wall Street had been expecting.

Compaq's shares ended unchanged at \$24.

Caution at Microsoft

Rajiv Chandrasekaran of The Washington Post reported: Microsoft Corp. said third-quarter profit increased 43 percent, to \$1.92 billion, on stronger-than-expected sales.

But the company, which many see as a bellwether for the technology sector, said late Tuesday that it was "guarded" about growth in 1999.

Microsoft's shares fell \$1.125 in a rising market to close at \$82 Wednesday.

Stocks Rise Broadly as Profits Beat Estimates

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks rose Wednesday as Qualcomm and Bristol-Myers Squibb beat profit estimates. The Nasdaq Composite Index had its biggest gain in 10 weeks, and the Dow Jones industrial average made its sixth gain in eight sessions.

Some analysts said stocks were poised to rise more on Thursday as International Business Machines beat earnings and revenue estimates after the market closed.

"Earnings reports have been pretty favorable across the board," said Timothy Stevenson, money manager for First Capital Group, a unit of First Union Corp. "It just looks like the market can go on for a long while."

Companies in the Standard & Poor's 500 Index are on course to report 7 percent profit growth for the first quarter, up from 6 percent in the last three months of 1998.

The Nasdaq composite index climbed 78.65 points to 2,488.29.

U.S. STOCKS

while the Dow Jones industrial average rose 132.87 points to a record high of 10,581.42. The broader Standard & Poor's 500 Index gained 29.95 to 1,336.12.

Almost two stocks rose for every one that fell on the New York Stock Exchange. In U.S. trading, 172 shares reached 52-week highs, while 139 fell to lows.

Small stocks rallied, sending the Russell 2000 index up 2.50 percent. Investors have shovelled money into larger companies for months, leaving small stocks to languish.

Qualcomm soared 5 1/2 to 195 1/16, contributing the most to the Nasdaq's gain. The maker of

cellular telephones and network equipment said late Tuesday that profit for the second quarter ended March 28 more than tripled, beating expectations, on strong demand for phones and the chips that run them.

Other networking companies gained. Lucent Technologies rose 4 3/16 to 589 7/16, and Cisco Systems rallied 6 1/4 to 107 15/16.

Drug shares rose for a second day as big pharmaceutical companies continued to meet or exceed analysts' profit forecasts. Bristol-Myers, the world's biggest maker of cancer drugs, gained 4 9/16 to 63 13/16 after it said first-quarter profit rose a larger-than-expected 15 percent. Bristol-Myers sold more pills for chronic conditions, such as diabetes and high cholesterol.

IBM earned \$1.55 a share in the first quarter, topping the \$1.06 it earned last year and about 14 cents

above the average analyst estimate. The highest estimate among 30 analysts who follow IBM was \$1.44. Revenue was \$20.3 billion, above the estimate of \$19.2 billion. IBM rose 2 1/4 to 171 1/4, rebounding late in the day from a 4 1/2-point drop.

Thanks to a rebound in emerging markets, U.S. hedge funds were "profitable" in the first quarter and largely outpaced the average equity mutual fund, Van Hedge Fund Advisors International Inc. reported on Wednesday. The average U.S. hedge fund posted a return of 4 percent net, while the average equity mutual fund was up 1.7 percent in the first three months of the year, said George Van, chairman of Nashville-based Van Hedge Fund Advisors.

The 30-year Treasury bond fell 2/32 to 96 3/32, nudging the yield up to 5.52 percent from 5.52 percent. (Bloomberg, Reuters)

Very briefly:

- Knight/Trimark Group Inc., which processes most trades that investors funnel through on-line brokerage firms, more than quadrupled its first-quarter profit, to \$37.4 million, as it handled a record 306,000 trades a day.
- Exxon Corp.'s first-quarter earnings fell more than 40 percent, to \$1.02 billion, as depressed oil prices hit the company's profits.
- Coca-Cola Co.'s first-quarter profit fell 13 percent, to \$747 million, as the U.S. soft-drink maker's sales fell in many overseas markets and a price increase cut domestic demand.
- Clifford Chance, the British law firm, and the New York-based Roger & Wells are reportedly in merger talks to create the world's largest law firm.
- Anheuser-Busch Cos. has ended a month-old experiment to see how well its beer would sell in plastic bottles; it cited limited consumer interest.

Reuters, AFP, AP

Chief at Borders Books Resigns

Bloomberg News

ANN ARBOR, Michigan — Borders Group Inc. said Wednesday its chief executive, Philip Pfeffer, would resign after just five months at the No. 2 U.S. book retailer.

Mr. Pfeffer, who is also resigning as a director, will be replaced by Chairman Robert DiRomualdo on an interim basis. The company did not say why Mr. Pfeffer was leaving.

Borders said it would take a charge of 4 cents a share in the first quarter associated with his departure. The retailer also said it expected to earn 4 cents to 5 cents a share at its stores before the charge for the quarter, and its Internet unit, Borders.com, will lose 5 cents to 6 cents. Borders is expected to break even in the quarter, according to analysts surveyed by First Call.

The company also named Bruce Quinnell as vice chairman of Borders Group and Kathy Winkelhaus as president of Borders Group Stores, a new position.

SHIPPING: As the Old and New Ways of Doing Business Clash, Long-Held Tradition Is Set Adrift

Continued from Page 11

chairman and executive director of the Transpacific Stabilization Agreement, the group of carriers that decided on the May 1 rate increase.

The bulging trade deficit can be seen in the form of empty shipping containers stacked four high on the piers at the adjacent ports of Long Beach and Los Angeles, which together handle about a third of U.S. container traffic.

"Our No. 1 export was empty containers," said Harold Hilliard, marketing man-

ager for the Port of Long Beach, the nation's largest. In the past few months, amid some signs of recovery in Asia, loaded containers heading to Asia have slightly outnumbered the empties.

Meanwhile, imports have been unusually strong this year as importers ship early to beat the increase and a possible strike by longshoremen this summer. They also fear a repeat of the delays that occurred last year, when not enough ships and containers were available to handle all the imports that had suddenly

become cheaper when Asian currencies were devalued.

Taking advantage of the sellers' market, the shipping lines said they would raise rates by \$900 for a 40-foot (12-meter) container coming to the West Coast from Asia, with an additional \$300 surcharge from June through November, the peak season.

Robert Camarena, vice president for operations and global logistics for Vans Inc., a footwear company, said shipping contributed about 35 to 50 cents to the cost of a pair of shoes; the rate increase, he

said, would add 15 to 20 cents to that. An executive at another footwear company cited lower estimates.

Though consumers might not notice, even pennies matter to corporate profit margins. Retailers "won't even take a 15-cent hit," Mr. Camarena said, worried that his company might have to absorb the increase on millions of pairs of shoes.

A major question, however, is whether such a coordinated rate increase will hold under the Ocean Shipping Reform Act enacted in October by

Congress. These changes, the first in 15 years, will allow importers and exporters to sign confidential contracts with a shipping company. Big importers are expected to obtain hefty discounts.

Until now, container shipping lines have been "common carriers" like the phone company, accepting all customers at published rates. Most rates have been set by cartels known as conferences. Importers and exporters could negotiate their own contracts. Terms were public, and other importers or exporters could

demand the same rate. But the conference system has already started to fray. The Asia North America East-bound Rate Agreement, which sets rates for containers heading from Asia to the United States, is being replaced by the Trans-Pacific Stabilization Agreement, a "discussion group" housed in the same office in San Francisco. Such groups will not have binding rate-setting authority, as the conferences do. But that has not stopped members from "voluntarily" agreeing to raise rates.

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U. S. STOCK MARKET DIARY

Wednesday, April 21									
Indexes					Most Active				
Dow Jones					NYSE				
	High	Low	Last	Chg.		Vol.	High	Low	Chg.
Dow Jones	10488.50	10581.42	10581.42	+132.87	Cummins	309551	129 1/8	109 1/8	129 1/8
S&P 500	1048.50	1057.55	1057.55	+0.54	AmOnline	256685	137 1/2	137 1/2	+10 1/4
Nasdaq	2488.29	2500.00	2500.00	+11.71	Compaq	15691	23 1/2	23 1/2	+1 1/2
10 Industrials	102.42	102.42	102.42	-0.03	Intel	11922	58 1/2	58 1/2	+1 1/2
Standard & Poors	3162.50	3169.57	3169.57	+7.07	Wal-Mart	106758	47 1/2	48 1/2	+1 1/2

Standard & Poor's										
Index	Open	High	Low	Last	Chg.	Index	Open	High	Low	
Technology	1557.14	1557.14	1557.14	1557.24	+0.20	Health Care	117.12	117.12	117.12	+0.05
Financial	117.12	117.12	117.12	117.12	+0.05	Consumer Goods	117.12	117.12	117.12	+0.05
Energy	117.12	117.12	117.12	117.12	+0.05	Telecom	117.12	117.12	117.12	+0.05
Industrial	1557.14	1557.14	1557.14	1557.24	+0.20	Utilities	117.12	117.12	117.12	+0.05
Transport	74.94	74.94	74.94	74.94	+0.05	Chemicals	117.12	117.12	117.12	+0.05
Real Estate	147.69	147.69	147.69	147.69	+0.05	Food	117.12	117.12	117.12	+0.05
Insurance	147.69	147.69	147.69	147.69	+0.05	Textiles	117.12	117.12	117.12	+0.05
P 500	1306.30	1284.21	1306.17	1336.12	+1.24	Metals	117.12	117.12	117.12	+0.05
P 100	662.86	651.53	662.08	676.68	+1.24	Plastics	117.12	117.12	117.12	+0.05

NYSE						Nasdaq					
	Vol.	High	Low	Last	Chg.		Vol.	High	Low	Last	Chg.
Composite	432.71	432.71	432.71	432.71	+12.87	Microsoft	453.60	87.00	86.00	86.00	-1.00
Technology	682.19	682.19	682.19	682.19	+12.87	Intel	257.00	58.00	56.00	56.00	-2.00
Financial	769.83	769.83	769.83	769.83	+12.87	Oracle	191.00	39.00	37.00	37.00	-2.00
Health Care	527.15	518.70	524.54	524.54	-1.19	Cisco	146.00	31.00	30.00	30.00	-1.00
Energy	462.09	462.09	462.09	462.09	+12.85	IBM	140.00	31.00	30.00	30.00	-1.00
Telecom	574.64	563.78	574.64	574.64	+8.55	Chen	139.04	10.00	10.00	10.00	0.00
Consumer Goods						TSU A n	133.00	2.00	1.00	1.00	-1.00
Industrials						Verizon	133.00	2.00	1.00	1.00	-1.00
Real Estate						Verizon	133.00	2.00	1.00	1.00	-1.00

Nasdaq										
	High	Low	Last	Chg.						
Composite	2889.84	2454.71	2489.38	-79.44	Qualcomm	178.612	197	160.5	0.74%	-5.64%
Technology	1463.11	1411.80	1442.90	-10.53	Network S	115.809	95	86.5	0.74%	+32.4%
Financial	1866.85	1818.98	1866.78	+0.03	Applied	114.597	61.78	50.5	6.10%	+0.74%
Energy	2715.97	2617.98	2666.78	+48.56	E-trade S	109.714	104	92	9.80%	+8.94%
Health Care	3561.92	3706.68	3701.93	-30.44	3com	98.261	7	71.4	0.00%	+0.00%
Consumer Goods	944.89	904.72	904.70	+4.53	Logix S	97.676	104	94	1.01%	+1.01%
Telecom					3com S	97.676	30.98	25.94	30.98%	+1.78%

AMEX										
Index	Open	High	Low	Last	Chg.	Index	Open	High	Low	Chg.
Technology	1557.14	1557.14	1557.14	1557.14	+0.20	Health Care	117.12	117.12	117.12	+0.05
Financial	117.12	117.12	117.12	117.12	+0.05	Consumer Goods	117.12	117.12	117.12	+0.05
Energy	117.12	117.12	117.12	117.12	+0.05	Telecom	117.12	117.12	117.12	+0.05

Dow Jones Bond										
Index	Open	High	Low	Last	Chg.	Index	Open	High	Low	Chg.
SPDR	511.98	512.00	511.98	511.98	+0.02	SPDR	117.12	117.12	117.12	+0.05
NOVODONT N	116.69	105%	100%	105%	+0.05	NOVODONT N	117.12	117.12	117.12	+0.05
DJIA BOND	284.58	284.58	284.58	284.58	+0.05	DJIA BOND	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
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SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
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SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12	+0.05	SPDR	117.12	117.12	117.12	+0.05
SPDR	117.12	117.12	117.12	117.12						

Trading Activity									
NYSE					Nasdaq				
Open	High	Low	Close	Prev.	Open	High	Low	Close	Prev.
1944	1412	1412	1412	1412	2071	2014	2014	2014	2014
1117	1670	1670	1670	1670	1419	1898	1898	1898	1898

Unchanged	263	264	Total Gains	4784	5126
and Losses	49	50	Total Losses	41	21
New Highs	263	264	New Highs	57	78
New Lows	22	34	New Lows		

Market Sales					
	Close	Prev.		Today	Prev.
AMEX				4.20	
Declined	346	274			
Advanced	713	324	NYSE	914.50	1,156.52
Unchanged	159	179	AMEX	32.13	57.23

Old Issues	717	727	Nasdaq	1,073.62	1,143.74
New Highs	5	9	In millions		
New Lows	12	18			

Dividends

Company	Per Amt	Rec Pay	Company	Per Amt	Rec Pay
IRREGULAR			Bank One Corp	.42	6-15
Bay State Bancp	-.06	5-7	Bard (CR)/Inc	.19	5-3
		5-21			7-14

CrossTimbers	-	0060	4-30	5-14		Brungswick Cp	-	125	5-15	
STOCK SPLIT						CapSOUTHWest	-	50	5-14	5-28
ConcentricNetwork 2 for 1 split.						Dun & Bradstreet	-	185	5-20	6-10
Hamric Tech Grp 2 for 1 split.						EFRI Engrg Corp	-	28	6-4	
Kelco Helveticus 2 for 1 split.						ESF Finl Corp	-	112	4-30	
Kelco Helveticus 2 for 4 split.						FVNB Corp	-	35	4-29	5-13
STOCK						Fleet Fnd Grp	-	37	6-3	7-17
Fulden Finl Corp	-	10%	5-10	6-1		HSB Group	-	42	7-4	7-25
						Lifton Vernon	-	68	5-17	6-1

INCREASED						NATHAN ADRIAN					
Charter One Fed	Q	.16	5-5	5-30		DM Group Inc	Q	.25	5-17	6-28	
Citizens Bank Mich	Q	.232	4-27	5-1		Paceholder Fund	Q	.10	5-12	5-12	
Continental Bk	Q	.145	5-1	5-1		Pall Corp	Q	.16	5-3	5-17	
Health Care Proprim	Q	.40	5-1	5-20		Queens City Bank	Q	.25	5-3	5-17	
Merchants	Q	.20	4-30	5-13		Rep NY	Q	.16	5-15	7-10	
Neco Energy	Q	.325	4-30	5-15		Russell Corp	Q	.34	6-10	5-20	
INITIAL						SeaContainers A	Q	.25	5-5	5-20	
Intercontinental M&D	Q	.01	4-30	5-14		SeaContainers B	Q	.273	5-5	5-20	

Dow Jones										
Index	Open	High	Low	Last	Chg.	Index	Open	High	Low	
Technology	1557.14	1557.14	1557.14	1557.14	+0.20	Health Care	117.12	117.12	117.12	+0.05
Financial	117.12	117.12	117.12	117.12	+0.05	Consumer Goods	117.12	117.12	117.12	+0.05
Energy	117.12	117.12	117.12	117.12	+0.05	Telecom	117.12	117.12	117.12	+0.05

U.S. Stock Tables Explained

Prices and volume figures are unofficial. Yearly highs and lows reflect the previous 52 weeks, plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years' high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

NYSE										
Index	Open	High	Low	Last	Chg.	Index	Open	High	Low	
Technology	1557.14	1557.14	1557.14	1557.14	+0.20	Health Care	117.12	117.12	117.12	+0.05
Financial	117.12	117.12	117.12	117.12	+0.05	Consumer Goods	117.12	117.12	117.12	+0.05
Energy	117.12	117.12	117.12	117.12	+0.05	Telecom	117.12	117.12	117.12	+0.05

Nasdaq										
Index	Open	High	Low	Last	Chg.	Index	Open	High	Low	
Technology	1557.14	1557.14	1557.14	1557.14	+0.20	Health Care	117.12	117.12	117.12	+0.05
Financial	117.12	117.12	117.12	117.12	+0.05	Consumer Goods	117.12	117.12	117.12	+0.05
Energy	117.12	117.12	117.12	117.12	+0.05	Telecom	117.12	117.12	117.12	+0.05

AMEX									
Index	Open	High	Low	Last	Chg.	Index	Open	High	Low

Hormones Lead EC to Ponder U.S. Beef Ban

By Edmund L. Andrews
New York Times Service

The European Commission threatened Wednesday to ban beef imports from the United States, a move that would escalate a long-running feud over beef from hormone-treated cattle.

The European Ministry of Agriculture in Brussels said it had found traces of growth hormones in imported American beef, which violates a European prohibition, and could start blocking all beef imports as early as June 15 if the United States did not address the issue.

But the complaint comes in the middle of a much bigger trade brawl

over Europe's basic prohibition on beef laced with growth hormones.

The United States has fought the hormone ban for years, arguing that there is no scientific evidence of health risks from such beef. Most American beef producers feed growth hormones to cattle to make them grow faster and bigger.

The Geneva-based World Trade Organization, which has legal authority over such trade disputes, agreed with the United States in 1997 and declared the ban illegal because the European Union had not made a convincing scientific case about the health risks.

But the European Union kept its rules in place, arguing that it had the

right to carry out new scientific studies. The World Trade Organization is scheduled to take up the issue again May 13, deciding whether the European Union is violating its earlier rulings.

On Wednesday, European officials added a twist: In a recent check of current American beef imports, which are supposed to be hormone-free, officials in Brussels said about 12 percent of the samples contained enough hormone residue to indicate that they had come from cattle raised with hormones.

Gerri Kieley, a spokesman for the European Ministry of Agriculture, said the ministry would propose a ban on American beef to take effect

June 15. In the meantime, he said, European officials will try to reach an agreement with American officials on ways to make sure exports are hormone-free. The amount of trade involved is small by international standards, about 7,000 tons a year valued at about \$20 million.

U.S.-China Talks to Resume

China and the United States are set to resume bilateral talks on China's accession to the World Trade Organization on Thursday, Agence France-Presse reported from Beijing. The two sides are closer to agreement than ever before, Chinese officials said Wednesday, speaking on the condition of anonymity.

SAP Posts Flat Profit; Shares Soar

Compiled by Our Staff From Dispatches

FRANKFURT — SAP AG said Wednesday that first-quarter net income was unchanged, beating expectations for a profit decline, as European orders swelled.

The better-than-expected earnings report sent the business-software maker's shares soaring 18 percent. The company said first-quarter net income was unchanged at 98 million euros (\$104 million), but pretax profit dropped to 172 million euros from 173 million euros a year earlier.

"I think it's going to be such a breath of relief for the market," said Devika Malik, an analyst for J.P. Morgan & Co. in London. "Basically, these results are quite good. The market was expecting the worst."

SAP's shares closed at 278 euros, up 42.

Earnings were also bolstered by "some new contracts in Europe in the last weeks of the quarter," the chief executive, Henning Kagermann, said.

He said earnings also had been helped by a switch to U.S. accounting standards, which indicated a 22 percent jump in first-quarter sales, to 1.08 billion euros, as opposed to the 20 percent gain using German standards, and he forecast a gain of 20 percent to 25 percent in sales for the year.

(Reuters, Bloomberg)

Russia Rebuffs Protests on Debt Restructuring

By Neela Banerjee
New York Times Service

MOSCOW — Ignoring the protests of several international banks, Russia has held foreign investors to a plan that restructures \$40 billion in defaulted government debt at a fraction of its face value.

Represented by 19 major lenders such as Credit Suisse First Boston, Deutsche Bank AG and Chase Manhattan Corp., foreign investors hold about \$17 billion of that debt, which is in ruble-denominated Russian Treasury bills. Russia's default in August and a sharp devaluation of the ruble has made the debt practically worthless on bond markets.

Under the government's restructuring plan, foreigners would get a package of new Russian securities and between 3 cents and 8 cents on the dollar, brokerage analysts es-

time. A first deputy finance minister, Mikhail Kasyanov, who has been meeting with international bankers in London, said about 40 percent of foreign holders of the debt had agreed to the terms.

But over the past few weeks, a group of investors led by Credit Suisse First Boston and Nomura Capital Management has demanded that the government revise the agreement, which it criticized for a lack of clarity and limited investment options.

The Finance Ministry said Tuesday that Russia would not do so.

Credit Suisse First Boston and its clients account for about 40 percent of the \$17 billion held by foreigners, making that institution particularly wary of the agreement.

Although the plan is nominally voluntary, it was unclear what would happen to the holdings of

investors who rejected the terms.

The dispute further tarnishes Russia's image among foreign investors, as the government struggles to repay billions in debt it accrued over the past several years to keep its economy functioning.

"The question this agreement brings up is about Russia's continued access to international capital markets," said Eric Kraus, head of fixed-income trading at the Moscow office of Dresdner Kleinwort Benson. "The Russians haven't come anywhere close to keeping their word."

Russia's mounting debt troubles come just as it is negotiating with the International Monetary Fund to refinance \$4.8 billion in other loans due this year.

The final list of investors accepting the restructuring agreement on defaulted Treasury debt is expected

to be established by late Thursday.

Banks seeking continued good relations with the government saw no realistic alternative to agreement, although Credit Suisse said it was still trying to discuss the restructuring with the government.

Russia Reports on Taxes

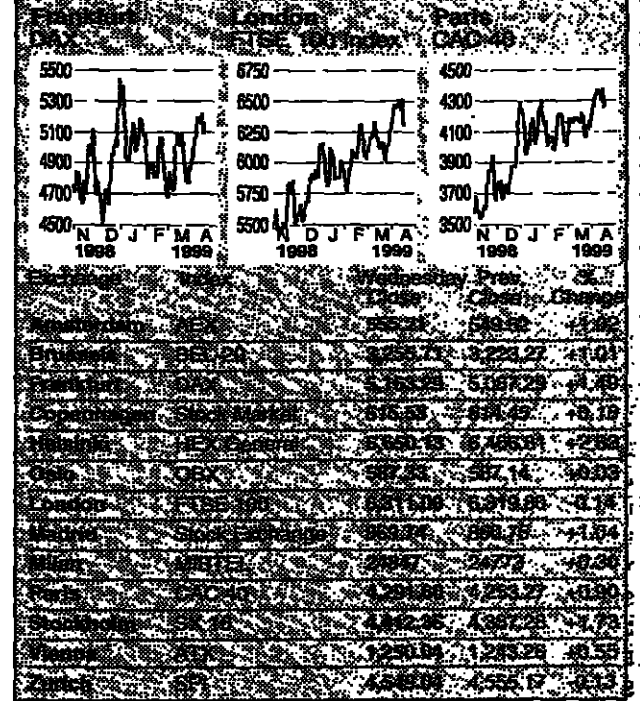
Russia's federal tax collections in March totaled 25.5 billion rubles (\$1.03 billion), the deputy tax minister, Sergei Shulgin, said Wednesday, Reuters reported.

Mr. Shulgin, speaking at a news conference, gave no comparisons and did not say whether this included offsets or noncash payments.

Federal tax collections in February totaled 15.6 billion rubles.

The International Monetary Fund is concerned at Russia's poor tax collection record and wants to see improvement before it lends more.

Investor's Europe



Source: Reuters

Very briefly:

- British incomes rose 5 percent in February from a year earlier, up from a rate of 4.6 percent in January and 4.2 percent in December, as financial companies increased bonuses. Separately, the number of employed people rose to a nine-year high at 27.3 million people, or 74 percent of the adult population, in the three months through February, up from 73.8 percent in the preceding quarter.
- Siemens AG's second-quarter net income rose 21 percent to 751 million Deutsche marks (\$408.4 million), helped by strong international demand.
- Deutsche Bank AG said Jürgen Krumnow, the board member responsible for accounting and taxes, would leave at year-end to take up other business opportunities.
- ABB Asea Brown Boveri Ltd. posted a 17 percent rise in first-quarter net profit, to \$302 million, at the high end of analysts' expectations.

Bloomberg, AFP, Reuters

WORLD STOCK MARKETS

Wednesday, April 21
Prices in local currencies
in euros for EMU countries.

High Low Close Prev.

Amsterdam

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NASDAQ

Wednesday's 4 P.M. Close
The 150 most traded NASDAQ securities
in terms of dollar volume, updated twice a year.
The Associated Press.

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
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Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
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Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
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Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

Stock	High	Low	Open	Close	Volume
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
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Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
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Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
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Stock	High	Low	Open	Close	Volume
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Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000


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Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000
Alcatel	34 1/2	34 1/4	34 1/4	34 1/4	1,000,000

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هكذا حدث الله محمداً

ASIA/PACIFIC

Hyundai Gives In to Seoul Pressure on Chaebol

By Don Kirk
International Herald Tribune

SEOUL — Yielding to intense government pressure, Hyundai Group said Wednesday that it planned to announce an extensive restructuring plan by the end of the week.

Hyundai officials privately confirmed that the group hoped to reduce debt by selling subsidiaries and stocks valued at 17 trillion won (\$14.3 billion).

Officials at Hyundai, the largest chaebol, or conglomerate, in South Korea, said the group needed the funds to comply with demands from its main creditor bank, Korean Exchange Bank.

Hyundai's decision underscores the government's tough stance with the debt-laden chaebol. With a 15.9

percent stake in Korean Exchange Bank, the government is able to wield considerable influence over the chaebol's access to credit, even cutting it off if the giant companies fail to comply with Seoul's demands.

But Sandy Park, a spokeswoman for the Financial Supervisory Commission, a government agency set up last year to promote economic restructuring, denied that the commission had directly ordered the Korean Exchange Bank to threaten Hyundai with a loss of credit.

"We do monitor the chaebol through financial institutions," Miss Park said, "and if necessary we would lay out guidelines."

Hyundai's restructuring plan comes in response to a public demand from President Kim Dae Jung for cooperation from the chaebol,

which have been reluctant to restructure.

He threatened stern measures unless the groups accepted his demands, which included cutting debt to levels no higher than double their equity.

A Hyundai spokesman indicated that, rather than get rid of a major entity, the group would consider selling some of its vast real-estate holdings and issuing more stock.

The company, however, is facing a government investigation into manipulation of the value of shares.

Government officials said they were questioning two of the group's most senior executives, Kim Hyung Byuk, chairman of Hyundai Heavy Industries, the world's largest shipbuilder, and Park Se Yong, chairman of Hyundai Merchant Marine Co.

Investigators allege that the executives inflated the share price of Hyundai Electronics & Industries Co. last year by buying the stock with company funds.

They contend the scheme was intended to lift the share price to excessive levels as a way to lower the company's debt-equity ratio, at the time more than 6-to-1. Hyundai Electronics' stock more than doubled in value as a result.

A higher stock price also could have influenced the size of Hyundai's stake in a proposed merger of Hyundai Electronics and a rival maker of semiconductors, LG Semicon Co.

Hyundai officials denied the accusation, saying that its units had bought Hyundai Electronics shares as an investment unrelated to the semiconductor merger.

Malaysia Upgraded By Moody's

The Associated Press

KUALA LUMPUR — Moody's Investors Service Inc. upgraded Malaysia's classification to "stable" on Wednesday, indicating that the Southeast Asian country was a good site for investors who wanted to buy bonds.

The upgrade by the international ratings agency follows a large number of optimistic forecasts about the Malaysian economy, which last year sank to its worst recession in more than a decade.

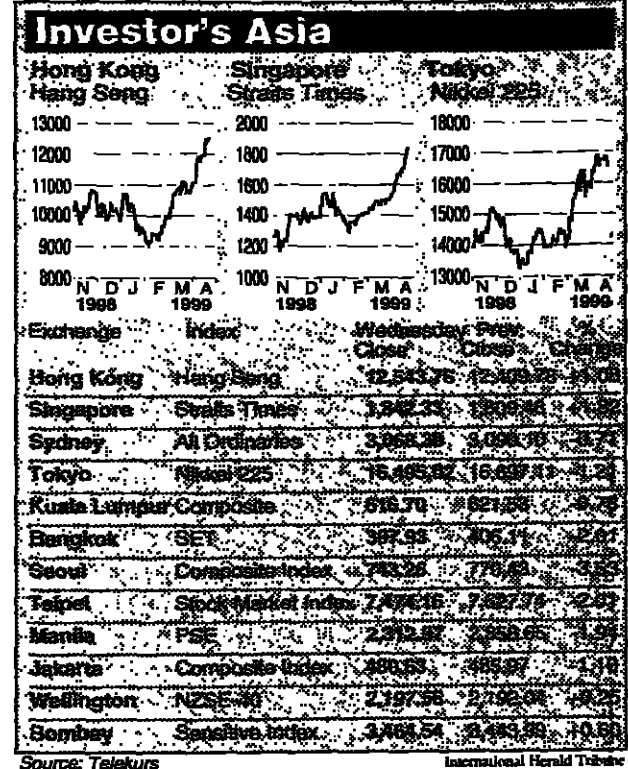
The ratings increase from "negative" to "stable" came three weeks after Standard & Poor's Corp. similarly revised its outlook for the country.

Both agencies had downgraded Malaysia after Prime Minister Mahatir bin Mohamad introduced harsh controls on the movement of capital into and out of the country, locked in some investments for one year and halted offshore trading of the ringgit, pegging the dollar at 3.8 ringgit.

But most analysts now believe Malaysia is firmly on the path to recovery. The Asian Development Bank predicted this week that the economy would grow by 0.7 percent, only a bit lower than the government's forecast of 1 percent growth.

Malaysia's stock among international analysts began rising after it showed flexibility in the capital controls that were imposed in September. This year it eased the prohibition on capital repatriation through the introduction of an exit tax of up to 30 percent.

The government also replaced its one-year freeze on repatriating proceeds from sales of equities with an exit-tax system.



Very briefly:

- Chuntex Electronic Corp., a computer monitor maker struggling under \$3 billion Taiwan dollars (\$254 million) of debt, filed for court receivership after banks froze its accounts.
- Daiwa Securities Co. had its "Baa3" long-term and Prime-3 short-term ratings for several subsidiaries placed under review for a possible downgrade by Moody's Investor Service Inc.
- Tokio Marine & Fire Insurance Co. Ltd. plans to close 15 percent of its sales offices in July to cut costs and increase its competitiveness.
- PT Danareksa, a state-owned Indonesian investment bank, will settle \$438 million in debt by extending the life of some loans and buying others at half-price.
- Guangdong International Leasing Co., a subsidiary of Guangdong International Trust & Investment Corp., the first Chinese financial institution to go bankrupt, was asked for \$265 million from unhelpful creditors.
- Korea Telecom paid 44.3 billion won (\$37 million) to more than double its stake in an Internet service affiliate and fend off a takeover bid by a U.S. investment fund.
- Daqing Lianhe Petrochemical Corp.'s chairman of the board has been removed and is under investigation for illegal activities, company executives said.
- Taiwan's exports rose 4.9 percent during the first 17 days of April from the same period a year earlier. Bloomberg, AFP

Japan Plans To Waive Some Debts

Agence France-Press

TOKYO — Japan plans to waive 930 billion yen (\$7.8 billion) of loans to 41 heavily indebted countries by the end of next year, a report said Wednesday.

Finance Minister Kiichi Miyazawa will announce the plan when he meets with finance ministers and central bank governors of the Group of Seven industrialized nations Monday in Washington, the Asahi Shimbun newspaper said.

Japan, the world's largest aid donor, plans to forgive debt on the condition that other major economic powers contribute more money to international funds to help poor countries, the newspaper said.

No immediate confirmation of the report was available from the Finance Ministry.

Australian Survey Finds Jump in Fraud

Reuters

SYDNEY — Corporate fraud in Australia has "conservatively" cost more than 1.3 billion Australian dollars (\$847.5 million) in the past two years, a co-author of a survey released Wednesday said.

The KPMG Australia 1999 Fraud Survey found that senior managers of 71 percent of local companies believed that fraud would increase.

A company's average cost of fraud increased to 1.1 million dollars from 450,000 dollars over the past two years, said Patricia Mann, a KPMG forensic accounting partner and an author of the survey.

"On this basis, we conservatively estimate that, during the past two years, the cost of fraud to Australia's top 2,000 companies was in excess of 1.3 billion dollars," she said.

She said survey respondents had reported losses of 239 million dollars through 7,280 incidents of fraud.

"This is just a small percentage of actual fraud perpetrated, with 12 percent of respondents either unwilling to disclose the extent of their losses or unable to quantify them," she said.

Nonmanagement employee fraud most frequently involved theft or misappropriations of funds, the survey said.

It said the largest areas of management fraud focused on expense-account fraud, conflicts of interest, purchases for personal use and misappropriation of funds.

In the survey, 80 percent of respondents reported that senior management took responsibility for the prevention of fraud within their organizations.

But despite top management acknowledging their responsibility in preventing fraud, "it continues to occur at an alarming rate," Ms. Mann said. She said notifications by employees, customers, suppliers, the police and anonymous letters had detected more fraud than internal controls.

Tan Told to Produce \$100 Million for PAL

Compiled by Our Staff From Dispatches

MANILA — Regulators ordered the chairman of Philippine Airlines Inc., Lucio Tan, to immediately produce half of the \$200 million he pledged to keep the carrier afloat.

The Securities and Exchange Commission told Mr. Tan, who owns 70 percent of the debt-strapped airline, to deposit \$100 million in an escrow account.

Mr. Tan, a reclusive tobacco tycoon and one of the nation's wealthiest businessmen, ended weeks of speculation Monday by unveiling plans to invest the \$200 million de-

manded by PAL's creditors.

In a related move, the SEC said Mr. Tan's decision to assume the post of chief executive officer from Luis Virata and shuffle some other senior management positions did not require regulatory approval.

(Bloomberg, AP)

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Will Berlin Fulfill Hopes for a 'New Beginning'? An Uncertain Future, a Tortured Past

By John Schmid

BERLIN — In the darkest days of his six-month-old government, when little went according to plan, Chancellor Gerhard Schröder at least could believe that a "new beginning" was awaiting him in Berlin.

The chancellor has pinned his hopes on a political awakening from the long-planned move of the nation's capital out of sleepy Bonn and into a pulsating metropolis with all its spectacular big-city ills and attractions.

Berlin denies politicians the luxury of Bonn's cozy provincialism, Mr. Schröder has said, and forces them to "confront the realities of the republic" as well as Berlin's own unsavory past as capital to two dictatorships in this century.

Berlin will create a sort of politician who is much more sensitized to the changes in society and more open to the world," he predicted.

The ambiguous new capital seems to evoke both promise and angst in equal measure among Germans. In his inauguration address in November, Mr. Schröder conceded

that "to some people, Berlin still sounds too Prussian, too authoritarian, too centralized."

Some fret that the nation's political heart will beat closer to a new constellation of Central and East European allies. Will it bring different geopolitical values with too much realpolitik and fewer ties to Western Europe? Or, more hopefully, does it underline Germany's newfound role after the Cold War as an East-West bridge on a once-divided and now healing Continent?

The questions remain largely unsettled even as the tidal shift of an estimated 30,000 Bonn-based government staff, lobbyists, publicists, trade groups and news organizations gets up to full speed this summer. Transplanting the machinery of government in Europe's biggest nation nearly 650 kilometers (400 miles) eastward will cost taxpayers some 20 billion Deutsche marks (\$11 billion), or about 244 DM per person.

Marking a national turning point, Bundestag lawmakers convened Monday in Berlin's 105-year-old Reichstag building, newly renovated under a new cathedral dome of glass and steel ribbing. From that moment, Bonn's importance began to fade as

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The Heavy Burden of History Can New Generation Claim 'Normal' Identity?

By Eckhard Fuhr

FRANKFURT — It might not be easy for an outsider to understand why a nation occupies itself again and again with the question whether it is "normal" and whether its "normality" is allowed. But in Germany the concept of normality has been the focus for all debates on the country's history in this century and on the political and moral consequences of that history for the present.

Will Germany remain marked for all time by the Nazi crimes? Will Germans have to apply exceptional measures of morality to their politics in the future? Will they have to accept that such measures be applied from the outside? This may concern questions of migration, asylum and hostility to foreigners or the debate about whether German soldiers should be sent today to an area where their grandfathers were occupiers in World War II. Or will the simple passage of time and the dying out of the generation of perpetrators and victims relegate the Nazi past to history in the sense that it does not overshadow the present and is no longer the most important point of reference for the country?

In the years of the division of Germany, it was rather easy to overlook the debate about normality. In East Germany there

was no such debate. "Anti-fascism" was the state ideology. The German Democratic Republic did not see itself as a legal successor of the Third Reich.

In West Germany there was a broad antitotalitarian consensus in the political establishment. In line with this attitude, the lesson learned from Germany's past was that the Federal Republic of Germany should be absorbed into the Western alliance.

But already in the 1950s many intellectuals were raising their voices in protest against this appearance of normality. And at least as early as the period of student protests of the 1960s, the public confrontation with the Nazi past had become a central theme of German politics. The bustling normality of a West German state imbedded in Europe and NATO appeared to many as an escape from an evil past.

With reunification in 1990, which also brought Germany full political sovereignty, the discussion gained a new relevance. Germany's neighbors also became intensely interested in the self-image of the nation in the middle of Europe.

And the Germans themselves were at first very uncertain how they should deal with their newly won weight and their larger responsibilities against the background of their past. Should the self-restrictions that were taken for granted during

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Protesters tear down part of the Berlin Wall in 1989; the Reichstag gets spruced up for the return of Parliament.



The Brandenburg Gate. Will the move to Berlin underline Germany's new role as an East-West bridge?

Schröder Surprises Critics

By William Drozdiak

BERLIN — Perhaps no other chancellor in recent German history has confronted such an eclectic array of political challenges in his first few months in office as Gerhard Schröder.

When he took the reins of power from Helmut Kohl after the election last September, Mr. Schröder promised that his new ruling coalition of Social Democrats and Greens would reconcile their policy contradictions and sustain their 21-seat majority for at least the next four-year legislative period.

But almost from the opening moments of the first "Red-Green" cabinet session, Mr. Schröder's government seemed destined for trouble. Oskar Lafontaine, the ambitious Social Democratic party leader and architect of its election victory, gave notice that he intended to run the show. Magazine covers depicted Mr. Lafontaine as pulling the strings of a puppet chancellor.

The environmentalist Greens party showed it was determined to stand by its basic principles and shut the country's 19 nuclear reactors as quickly as possible, even before finding alternative sources to compensate for the

loss of 35 percent of the nation's energy supplies.

Germany's powerful business lobby warned that investment capital would flee the country if the Greens' energy policy were enacted and if Mr. Lafontaine's "soak-the-rich" tax plans were put into effect. That prospect threatened to exacerbate an 11 percent unemployment rate that has left 4.5 million people out of work.

Germany's partners worried that Mr. Schröder's problems would distract him from European Union presidency at a crucial time when the single Continental currency, the euro, was being introduced on world markets. The United States feared the Red-Green alliance would sabotage NATO's nuclear strategy, and partners on both sides of the Atlantic were fearful that a German government with a strong pacifist streak would break ranks in the alliance's test of wills with President Slobodan Milosevic of Yugoslavia over Kosovo.

On almost every count, the pundits were proved wrong.

To the surprise of many experts, Mr. Schröder won his dramatic showdown with Mr. Lafontaine, who abandoned his seat in Parliament after resigning his jobs as party leader and finance minister. With his political nemesis suddenly out of the

picture, Mr. Schröder reasserted control over his cabinet and his party.

He also cracked the whip over the Greens, bringing them into line by suggesting that a new ruling coalition with the Free Democrats was possible if the Greens proved irresponsible in coping with demands of reasonable governance. He calmed the fears of industrialists by insisting that any government bearing his name would not pursue policies anathema to business.

On the foreign front, Mr. Schröder has impressed his alliance partners by making hard decisions to support NATO bombing raids against Yugoslavia.

Earlier this month, Mr. Schröder's resurgent fortunes were confirmed when he was formally elected as leader of the Social Democrats with 76 percent of the vote. While the result was less than anticipated, it gives him unquestioned control over the country's biggest political party and makes him the first Social Democrat since Willy Brandt to amass such power as chancellor and party chief.

But the new responsibilities also make Mr. Schröder accountable for the fate of the Social Democrats as well as his own government. While his personal standing remains high, his party has plummeted

in the polls. It has already lost its majority in the upper house of Parliament, the Bundesrat.

Yet, Mr. Schröder can draw some consolation from the fact that the opposition Christian Democrats do not seem to have recovered from their loss last September. Since Mr. Kohl's departure, Wolfgang Schäuble has failed to rally his troops. If an election for chancellor were held now, 43 percent of voters say they would choose Mr. Schröder while only 20 percent say they would vote for Mr. Schäuble.

Even if he succeeds in keeping his fractious coalition together, Mr. Schröder will still require cooperation from other parties to push through legislation designed to solve some of the major social and economic difficulties now plaguing Germany.

A new law changing Germany's outmoded nationality laws was drafted with the help of the Free Democrats. The decision to participate in allied air strikes against Yugoslavia won support from the Christian Democrats. And a broad coalition of government and opposition parties may be necessary to overhaul Germany's social welfare state.

WILLIAM DROZDIK is The Washington Post's Central Europe correspondent.

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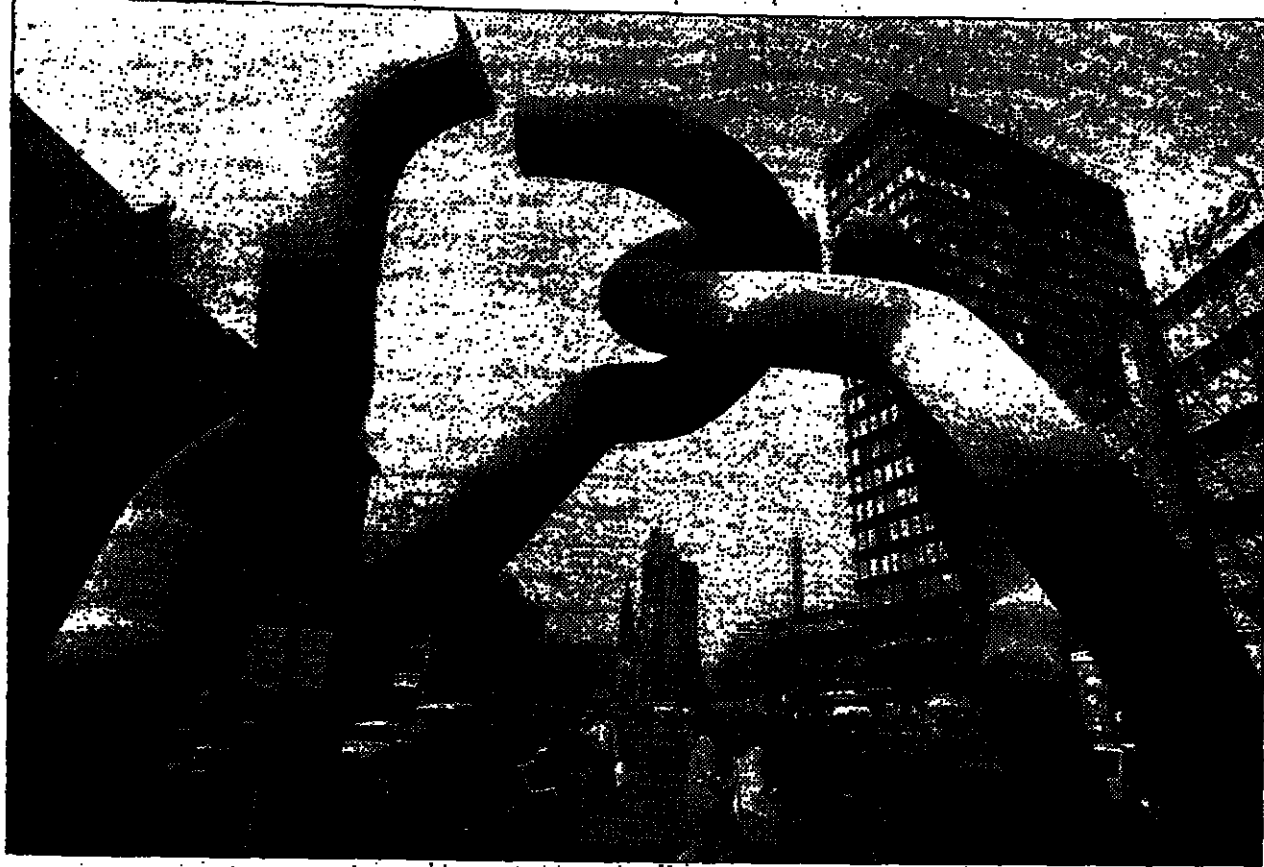
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GERMANY / A SPECIAL REPORT



Sculpture in Taubenstrasse with Gedaehnisckirche in background. Berlin hopes to forge a new identity.

Prospect of New Capital Creates Hope and Angst

Continued from Page 18

political power increasingly concentrates itself in Berlin.

On a symbolic level, Berlin underpins Mr. Schroeder's claim that his election marks a generational change for a nation whose leaders increasingly came of age after World War II. Berlin stands for youth and culture to anyone who cares to see it that way. Young people who weary of Bonn hail Berlin as a world-class city on a par with New York, Paris and London.

Germans have welcomed the city as the laboratory of unification: jazzy eastern neighborhoods like Prenzlauer Berg successfully have merged east and west into Berlin's answer to Manhattan's fashionable SoHo gallery district.

But judging from the almost daily debate over the move, Germans see bigger societal shifts ahead. The notion of a new, still undefined society sounds distinctly plausible to a nation that already is dizzy from a decade of nonstop political and social change following the fall of the Berlin Wall in 1989.

Berlin, after all, will be home to a new government that is bound into a newly united Europe complete with a new currency, the euro, and a new economic regime. "Welcome to the New Berlin," exclaim the banners in Berlin's Tegel airport, echoing the theme of unending newness.

BUT Berlin has another meaning as well, one that is as concrete as its bricks and mortar. It represents a new stage in Germany's reconciliation with its past. Nowhere is that clearer than the Reichstag, which was ravaged by a mysterious fire in 1933 and became a pretext for Hitler's rise to power and the cataclysmic events that led to Germany's 40-year division. It was destroyed by Allied bombs in World War II.

Until the futuristic new chancellery building is ready, Mr. Schroeder will use the former East German Communist headquarters, complete with its shabby 1950s decor and stained glass windows depicting heroic images of Socialist workers. Other ministers move into Nazi-era buildings, forcing them to make peace with the ghosts of the past.

But beyond such tangible themes, the Berlin debate is so unsettled that even the vague term "Berlin Republic" is derided by Germans who otherwise give their wholehearted support to the new capital.

And even with a dozen new books analyzing Berlin, a consensus on the meaning of the Berlin Republic remains elusive. The changes amount to "an uncertain something," sensed the weekly *Die Zeit* with unabashed uncertainty.

"I voted in 1991 in the German Bundestag for the move to Berlin, but not for the move into a new republic," said Helmut Kohl, the former Christian Democratic chancellor who Mr. Schroeder defeated last September.

Mr. Kohl stands for those who want Berlin to represent continuity. They angrily disavow Mr. Schroeder's rhetorical efforts to make Berlin sound like the founding of a new society. "Bonn stands for the best chapter in German history in this century," Mr. Kohl said. "We want to continue this success story from Berlin in the next century."

To adherents of Bonn's Rhineland Republic, Berlin stirs unease for different reasons. With 3.4 million residents, Berlin is 10 times the size of Bonn and many seem to think it has about 10 times as many urban problems. While quiet Bonn is Beethoven's birthplace and offers bike paths that connect almost everything, Berlin throbs with culture and subculture, vice and violent crime, immigrants and unemployment. Unlike Bonn and much of Western Germany, Berlin is genuinely multicultural.

To the Social Democratic chancellor, his aides say, Bonn is too closely identified with the old West Germany and particularly with Mr. Kohl's conservative Christian Democratic Party, which practically built Bonn. Even the main thoroughfare in Bonn's government quarter is named after Konrad Adenauer, the first postwar chancellor and towering Christian Democrat.

After a rocky start to his administration — with infighting among his ministers and a succession of major policy reversals — it is little surprise that Mr. Schroeder speaks of Berlin like the promised land and calls it the "New Center Republic."

To be sure, many acknowledge that the original impetus for the move was decided by a narrow Bundestag vote of 337 to 329 on June 20, 1991. Berlin stands for the end of the Cold War and of the nation's political division.

A new sort of economic reality will confront the politicians accustomed to West Germany's postwar wealth. Berlin is poor. Not only did it merge with former Communist East Berlin, but western Berlin no longer receives subsidies that sustained it when it was surrounded by East Germany. Its debt has risen fourfold to 60 billion DM since the wall fell. In that sense, the Berlin Republic will reflect the nation's lurch from Cold War wealth to postunification austerity. It cannot afford to hire new teachers and police.

Although Bonn is the undisputed cradle of modern German democracy, Berlin gets the honor of showcasing all the "Celebration of Democracy" events to honor the 50th birthday of Germany's constitution, starting on May 24 in the Reichstag. On May 23, the Bundestag assembles in the Reichstag to elect the new German president.

Most changes will be merely symbolic, according to those who argue that the political fallout from the move is wildly exaggerated.

"I do not see Berlin giving a tremendous kick or change to the government," said Guenther Nonnenmacher, co-publisher of the Frankfurt *Allgemeine Zeitung*. "Germany is very decentralized, both culturally and politically. This country will not change just because the government moves to new buildings in Berlin."

Berlin's ambiguity has almost become synonymous with the ambiguity of Mr. Schroeder's own policies. After a political career of zigzagging positions that ranged from Marxism to pro-business pragmatism, Mr. Schroeder's first six months were dominated by policy reversals that have sown confusion.

"A new start, okay — but where are we going?" the Frankfurt *Rundschau* commented last year.

JOHN SCHMID is the International Herald Tribune's correspondent in Germany.

Dealing Again With War

Germans Perform Army, Navy and Air Missions in Balkans

By Joseph Fitchett

WHEN Germany went to war again last month, for the first time in over half a century, the German armed forces assumed a full role in the NATO campaign, including — to the surprise of many observers — missions for all three services, army, navy and air force.

If the German contribution remains comparatively small, its size reflects military constraints — notably the fact that German forces depend heavily on conscripts who cannot be sent into combat — and not legal limitations or moral qualms among political leaders and public opinion.

The speed with which Germany reached a political consensus supporting military intervention has surprised allied governments, which generally thought that it would take a decade or more after reunification in 1991 for German leaders and the public to be ready to take part in military efforts to protect European interests outside the defensive perimeter of NATO nations' territory.

NATO's intervention in Kosovo seemed particularly problematic because the action had no specific mandate from the United Nations Security Council. And the territory of ex-Yugoslavia had the special sensitivity of being the site of a particularly bitter guerrilla war waged by Serbian partisans against Hitler's troops.

Those concerns were overridden by more important factors, starting with the humanitarian outcry over the treatment of Kosovo's civilians. More importantly, now that London has joined moves to give defense muscle to the European Union, Bonn does not want to be left out as Britain and France move in this direction, effectively making military capability a criterion of authority and leadership in Europe.

A month into the Kosovo campaign, that future European military posture can already be discerned in the array of German contingents, starting with 3,000 troops in Macedonia. Initially deployed there as part of a postwar NATO-led peacekeeping force in Kosovo, they are now working to relieve problems caused by the massive influx of Albanian refugees — and more German troops are now going to Albania for the same purpose. In the Adriatic, a German Navy frigate is operating in NATO's Mediterranean force.

Combat has only been experienced, so far, by the Luftwaffe, which has 14 Tornados flying in the NATO air campaign against Serbian forces — most of them the new electronic reconnaissance model. Standard-model Tornados are also flying protective missions alongside allied fighter-bombers.

German air crews operate comfortably in the NATO offensive, according to officials at alliance headquarters, as could be expected after the decades in which Germany was the heart of the alliance's central front, the focus of intensive training for combat in weather and terrain similar to those in ex-Yugoslavia. The Luftwaffe flew its first combat missions since World War II in patrols over Bosnia in 1995, and now its pilots have been engaged in attacks to knock out Serbian air defenses.

Typical of Germany's interest in new military technologies, the German Army is also operating unmanned reconnaissance vehicles, such as the CL-289 drone, to carry out assessments of battle damage. Drones have never been used on such a large scale before, and Germany has lost at least three of these small, hard-to-target reconnaissance vehicles, with Serbian media

claiming that they were shot down while allied officials suggest that they may have crashed after technical malfunctions.

As German planners try to get to grips with the new technologies and military doctrines demanded by conflicts such as Kosovo, the Bonn government, which is a coalition of Social Democrats and Greens, has shed much of the self-doubt that colored the thinking in these two parties about German power during the Cold War. Explaining the approach to Kosovo, Foreign Minister Joschka Fischer, a Green, said recently that his political conscience had two roots: pacifism and determination to prevent Nazi-style barbarism from ever happening again. "When it happens, as in Kosovo, the second value takes precedence over the first," he said.

But constraints on the size of the force that Germany can field will take time and money to fix, and it will be a wrenching change. German forces were developed successfully, starting in the 1960s, into a powerful land force blocking any armored offensive in Central Europe.

Now this defensive bulk has to evolve toward the more mobile, all-around forces that Britain already has and France is pursuing.

A particular problem for Germany is the question of how to shift from a largely conscript army to a system with some all-professional units that can be sent into combat. The presence of conscripts, who comprise nearly half of Germany's armed forces of nearly 350,000 troops, was the key to West Germany's ability to provide the largest ground army in NATO, except for Turkey's.

This enabled the alliance to have a credible defense, based on conventional weapons alone, that barred any easy offensive by the Warsaw Pact during the Cold War.

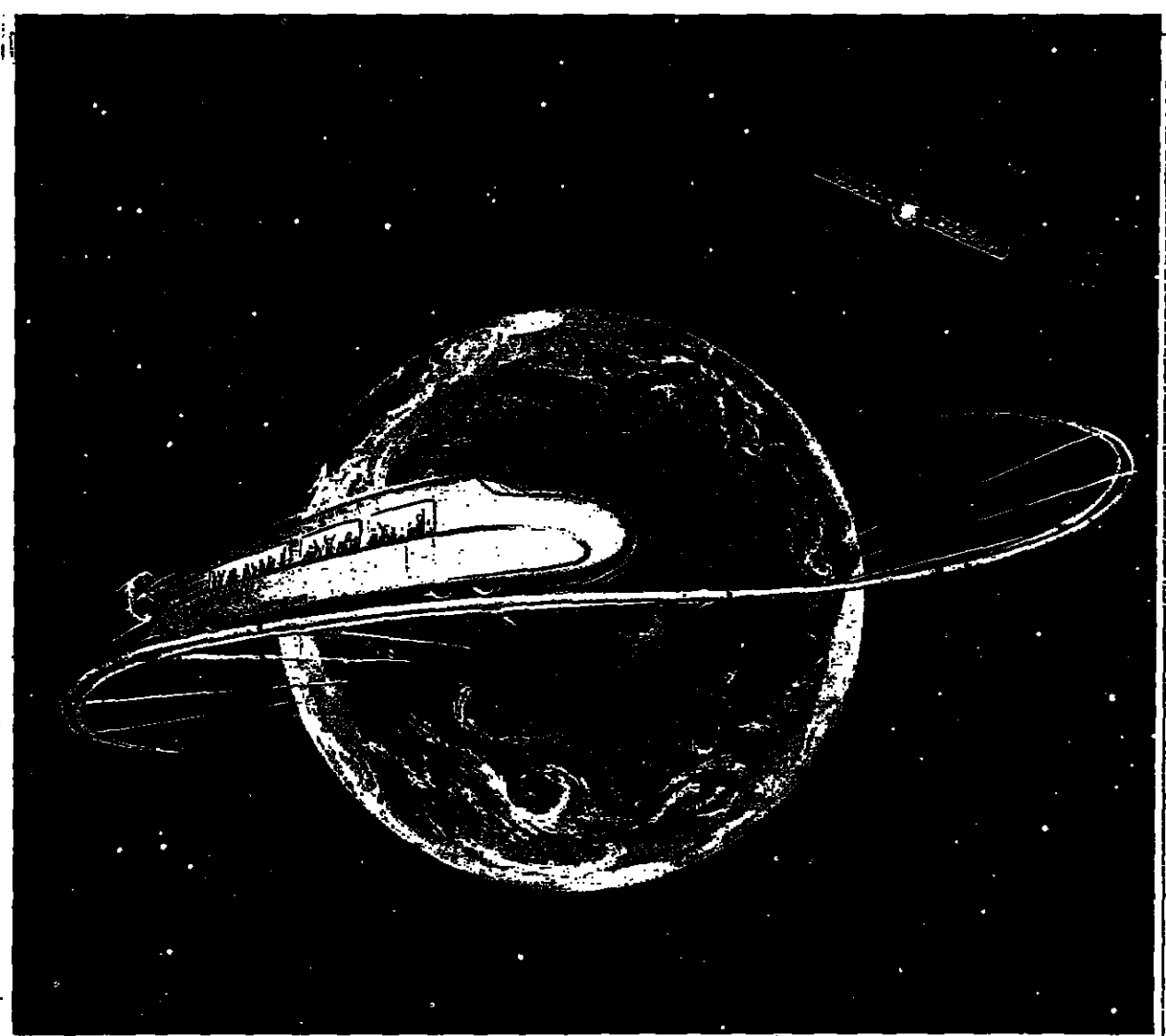
But because of their numbers, the conscripts are scattered throughout most units, making it difficult for planners to assemble forces that can handle foreign combat assignments. "It's pitiful when we think about how little we send," a German policymaker said in Bonn.

Defense Minister Rudolf Scharping has set up a commission, which is likely to recommend changes giving Germany at least 30,000 all-professional soldiers in a separate rapid-reaction force. But German leaders like the draft because it helps instill patriotic values in young people born and brought up in former East Germany — and because the large annual intake of conscientious objectors, amounting to nearly 50,000 young men a year, provides a free labor force for social programs.

While it will take a major transformation of Germany's military establishment to change that situation, the future has been brutally accelerated in recent weeks. Last December, France and Britain called for the European Union, working with NATO, to pool its major military assets to make Europe a credible partner for the United States — and enable Europe to act on its own, if necessary. Kosovo has made it a political challenge for Europe to sustain a major role in the campaign.

Would Germany be ready to join a ground offensive if NATO finally opts for it? In Bonn, commentators are divided, but the general view is that political leaders would not want German troops in combat with Serbian forces — even though German public opinion probably would support a ground role if most other NATO allies were involved in it. Most agree that public opinion would support German involvement but some doubt whether the political leaders would go that far so soon.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.



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Crises Help Bonn's EU Presidency

By Barry James

RUSSELS — Everyone knew that Germany's six-month presidency of the European Union was going to be a difficult one. No one knew just how difficult.

Paradoxically, however, the problems that were not expected — the collapse of the European Commission and the conflict in Yugoslavia — created a sense of crisis that enabled Germany to solve the other major problems as well.

Thus, at a Berlin summit meeting last month, EU leaders were able very quickly to agree that Romano Prodi, the former prime minister of Italy, should be the next president of the European Commission. Without the sense of urgency resulting from their decision to start bombing Yugoslavia that same day, the leaders could have haggled for months over the key post. Now Mr. Prodi is expected to move quickly to form a new team, and to reshuffle portfolios so that leaders can approve the entire commission at another summit meeting in Cologne in early June.

Likewise, the Kosovo crisis was decisive in getting the leaders to end months of deadlock and resolve the problem of financing the European Union in the period from 2000 to 2005.

Although the result, reached after a tense all-night negotiating session, was a compromise that fell short of expectations on several counts, the fact that an agreement was reached at all was a considerable accomplishment by the German presidency.

At several points during the night, it

seemed that the talks would break down, but Chancellor Gerhard Schroeder was able to keep the other leaders at the table. He failed to achieve what he had earlier promised the German electorate — a radical reduction of Germany's net contribution to the EU's budget. But the leaders did finally agree to hold spending at roughly its present level, even if this means that some sacrifices will eventually be demanded of them.

The agreement was essential in enabling the EU to move ahead with accepting nations in Eastern and Central Europe for membership, and this will satisfy a fundamental German foreign policy objective, that of stabilizing the situation on its eastern frontier.

At the start of the presidency, Mr. Schroeder was an unknown quantity. Elected shortly before, he was a newcomer to the comfortable clique of European leaders and was stepping into a big pair of shoes — those of former Chancellor Helmut Kohl who had dominated the community for the previous 16 years. But Mr. Schroeder and his foreign minister, Joschka Fischer, quickly gained the trust and respect of fellow leaders, according to diplomatic insiders.

At the same time, Mr. Schroeder was wrestling with major political and economic problems at home, with former Finance Minister Oskar Lafontaine openly in dispute with the European Central Bank, creating a powerful negative effect for the new European single currency.

A failure of the euro would have been a disaster for Germany, both as a founder and leading member of the EU, and domestically because of the country's attachment to a key currency. Since it

was introduced in January, the euro has steadily lost ground against the dollar. Nevertheless, the departure of Mr. Lafontaine has removed some of the tensions. His resignation probably enabled the central bank to reduce interest rates without giving the impression that it was acting under political pressure.

The EU presidency is a burden for any country, involving the organization of hundreds of meetings at various levels. Germany, in fact, will have organized at least four EU summit meetings, rather than the usual two — in addition to the upcoming meeting of leaders of the G-8 group of industrialized countries.

With the budget problem and the commission crisis behind, the German government has now taken a slightly more relaxed approach to its EU responsibilities. The Kosovo crisis is occupying most of the government's time and energies, but nevertheless officials hope to set the groundwork for institutional reform in the EU at the forthcoming Cologne summit meeting.

If the EU is to enlarge successfully from 15 countries today to 26 or more in the future, it will have to modify institutions, such as the commission, that originally were designed for the six founding members. Germany hopes to begin a process of rethinking fundamentals at Cologne that will carry forward into the next presidency, which will be held by Finland. The Cologne summit meeting also will deal once again with Europe's abiding problem of high unemployment.

Barry James is the International Herald Tribune's correspondent in Brussels.

GERMANY / A SPECIAL REPORT

A Powerhouse Begins to Limp

Economic Outlook Poor

By John Schmid

FRANKFURT—Germany's leviathan economy goes by many names: Europe's growth locomotive, its powerhouse and often the anchor of the new pan-European currency.

In past months, however, an unfamiliar moniker has begun to stick: "Germany: the Sick Man of Europe," to quote the title of a report last month by a Merrill Lynch economist, Holger Schmieding.

Mr. Schmieding is hardly alone with the view that Europe's biggest economy has become the weak link in the 11-nation bloc that launched the euro in January. "Growth underperformance to continue," according to London's HSBC economics department in its assessment of the German economy.

Until activity picks up, which will be no sooner than late this year or next, Germany will limp through a period of anemic activity, according to the consensus of economists and think tanks.

Because Germany disproportionately furnishes a full third of the euro bloc output, its own weakness threatens to drag down overall activity on the Continent, preventing a quick upturn in Europe, analysts warn.

Economic output contracted 0.4 percent in the last three months of 1998 and the outlook for the first quarter calls for little better than stagnation. Goldman Sachs estimates full-year growth of only 1.4 percent, exactly half of last year's rate.

"Such a weak performance will dampen the overall euro area rebound," said Jean-Francois Mercier at Salomon Smith Barney in London, who bearishly expects no more than 1 percent growth this year and 1.5 percent in 2000.

Business confidence fell for the ninth consecutive month in February, defying predictions of a long-awaited stabilization. Orders to industry, a key leading indicator of activity, fell more than expected in the same month. Unemployment, the most vexing problem facing Bonn's politicians, has risen by a half million since Chancellor Gerhard Schröder made his inauguration speech in October.

With the sole exception of Italy, all other euro bloc economies burn with brisker activity than Germany. There is little doubt that Germany's surprising slump compelled the European Central Bank to loosen credit conditions several weeks ago.

Germans have spent much of the past six months in a blame game, trying to establish what ails the country so long considered the model economy for Europe.

Big business accuses Mr. Schröder's center-left coalition of frightening industry with new tax burdens. Industry complains that their 45 percent corporate tax bracket is among the highest in the world. Blue-chip companies like the insurance giant Allianz AG have threatened to leave Germany.

Bonn's politicians spent much of their first six months in office pinning blame on the European Central Bank, which they say ignored the distress signals and withheld any interest rate relief for the first three months of the euro's launch.

And the ECB, in turn, blames Bonn for its inability or unwillingness to tinker with the creaking German economic model, which has not been overhauled since unification in 1990 stretched the system to its limits.

Amid the disagreements, consensus has emerged on several points. The first is that economic confidence, a critical vari-



Rickshaw drivers relaxing at the Brandenburg Gate, once the centerpiece of the Cold War's Berlin Wall.

able for new investment and hiring, has suffered after the big metalworking and public-sector unions won steep wage settlements in February.

Anxiety in industry deepened amid the confusion over Bonn's zigzagging plans over tax reform. All agree that tax reform is overdue, but because tax issues remain unsettled, business leaders say they cannot know how to make plans. Finance Minister Oskar Lafontaine quit in March in part because of the acid backlash by business leaders over his tax reform plan. To the dismay of business leaders, Mr. Schröder allowed Mr. Lafontaine's tax reform to pass through Parliament even after Mr. Lafontaine quit.

Now, Mr. Schröder vaguely offers to go back and add changes to the tax overhaul. With a budget shortfall this year of at least 30 billion Deutsche marks (\$16.4 billion), newspapers persistently report that the government is mulling an increase in retail taxes.

In such a high-tax, high-wage nation, Germany "is stuck in a vicious circle in which excessive payroll taxes cause higher unemployment and a social security deficit, which, in turn, is financed by even higher payroll taxes," Mr. Schmieding said.

Germany's celebrated export motor — the key to the nation's commercial health — has lost steam. And there is little anyone can do. Recessions in Asia, Latin America and Russia throttled exports to 1 percent growth in the last quarter last year from 2.9 percent in the third, 9.6 percent in the second and 15.5 percent in the first.

According to the latest figures, exports shrunk in the first two months of this year.

All hope now depends on a rebound in Asia and prospects that Mr. Schröder can become a mechanic for the German model, undertaking the economic changes that he vaguely hinted at during his campaign.

But, said Klaus Baader of Lehman Brothers in London, "That is not the direction the wind is blowing right now."

Invisible Wall Still Lingers

East Lags Behind West

By Rick Smith

The Berlin Wall may have fallen a decade ago with only a few patches preserved as museum pieces, but an imposing if invisible wall still separates Eastern and Western Germany.

As politicians of all stripes get ready to mark the 10th anniversary of unification, workers in Eastern Germany have less to celebrate. They still earn considerably less than their counterparts in Western Germany, their companies are twice as prone to failure and their danger of being without any work is nearly twice as high.

Although progress has been made on many fronts, this steady drumbeat of grim economic data makes it easy to imagine that two countries still exist.

"It will be at least another 10 years before there will be an equalization of economic conditions in East and West Germany," said Armin Reck, a spokesman for the Economics Ministry of the state of Saxony, the most prosperous of the East German states. "Until then, we will be dependent on transfers from West Germany."

Since those transfers of funds from Western to Eastern Germany have totaled just over 1 trillion Deutsche marks (\$546 billion) during the first decade of unification, it is little wonder that resentments have mounted and many fear the region may be doomed to chronic weakness. One of Chancellor Gerhard Schröder's pet campaigns — *Aufbau Ost* ("Build Up the East") — bears a name that many had hoped would not have been necessary at the end of the millennium.

The overriding single problem remains unemployment. With Eastern Germany's rate of almost 20 percent, nearly twice that of Western Germany, the psychological effect has been devastating for a population accustomed to a system that, with all its faults, had made it a state philosophy to guarantee work for all. The sudden loss of that guarantee has in no small way contributed to alienation of both old and young and helped feed nostalgia for the old system as well as neo-Nazi and skinhead violence on the fringes of society.

The hard scramble for jobs has also made many East German workers decide to throw away union cards and settle for less pay and more hours. Some observers believe this will be the solution to the region's employment crisis. Lothar Spaeth, former chief minister of the West German state of Baden-Wuerttemberg and now chairman of the board of Jenoptik AG, an East German high-technology success story, has said that Eastern workers developed resourcefulness into a "fine science" under the difficult conditions of the collapsing Communist system. With new funds and resources, they are capable of exceptional productivity, he maintains.

But others say lagging productivity has deeper roots. "East German workers are well-educated and adaptable, but they are held back by the weakness of the companies they work for," said Joachim Ragnitz, an economist at the Halle Institute of Economic Research, a major think tank in Eastern Germany. "This explains half of the lag in productivity compared with Western Germany."

Many of the region's firms have been struggling on the edge of insolvency for the last 10 years, unable to achieve economies of scale or make the kind of investments in research that would allow them to grow.

Eastern Germany currently accounts for only 3 percent of Germany's overall exports even though East Germans make up about 20 percent of the nation's population. Another



A young Berliner standing in the shadow of Karl Marx and Friedrich Engels in an eastern district of the city.

barometer, the production of patents, shows Western Germany producing three times the number of patents registered by the East on a per-capita basis.

This does not mean that there are not promising pockets of success. The desolate infrastructure of 10 years ago turned out to be a major opportunity, making it possible to install state-of-the-art telecommunications and factories. Today the region has one of the world's most intensive applications of fiber optics in telecommunications, and Volkswagen AG's facility in Zwickau is one of its most efficient worldwide.

The East also scored over the West in agriculture where the vast collective farms of the Communist past have changed in structure and ownership but not in size. This has allowed the East to achieve economies of scale in at least one sector since modern farm machinery has made the large Eastern farms more profitable than the much smaller ones of Western Germany.

On balance, economists who have been following the region closely since the fall of the Berlin Wall believe that the area is making steady if slow progress and that this is not surprising.

"The public was too optimistic in the beginning and too pessimistic when things didn't advance rapidly," said Katja Gerling, an economist at Kiel Institute of Economic Research, a think tank that has joined the Halle Institute of Economic Research, the German Institute of Economic Research to write reports on Eastern Germany for the Economics Ministry in Bonn every six months for much of the last decade.

"But we are relatively optimistic. We in the West were a bit optimistic 10 years ago and saw East Germany as the most successful country in the East bloc, but we didn't realize how great the gap was with the West."

"The East won't become the Mezzogiorno of Germany," said Mr. Ragnitz, referring to the chronically depressed south of Italy. "Convergence will come, but it will take time."

RICK SMITH is on the staff of the International Herald Tribune.

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GERMANY / A SPECIAL REPORT

The Olympic Experience

At Munich 'Virtual' Center, Visitors Compete, Too

By Roderick Conway Morris

MUNICH — The 1972 Olympics projected a new, go-ahead image of Munich, which it has benefited from ever since. The city has now been chosen to host a permanent, "virtual" Olympics experience, holding out the prospect of a wholesome alternative to the scandal-ridden recent reality of the actual Games.

"Olympic Spirit München," which was inaugurated March 24, is the brainchild of Andrew Grant, head of the London-based Grant Leisure Group and licensed by the International Olympic Committee. The project's 75 million Deutsche mark (\$41 million) financing is shared in equal parts by private investors and the city of Munich.

Munich was picked as the site of the first of what is planned to be a chain of Olympic Spirit leisure centers around the world, said Roland Kleve, managing director of the venture, which is housed in the former Velodrome at Olympiapark. "Because the Munich Olympiapark has been the most successful of all post-Olympic venues in maintaining its original purpose long term."

The Velodrome, said Mr. Kleve, a 35-year-old Dutch-born manager who previously spent seven years with Disneyland Paris, was the only major building in the park no longer in full use because the track was open-air and failed to meet standards for present racing. After two years of reconstruction, the arena has been converted into a 10,000-square-meter (12,000-square-yard) all-indoor space, consisting of a large ground-floor area devoted to the Winter Games, a first floor to summer events, a 500-square-meter gymnasium, a 300-seat café and a sports shop.

"The basic idea was to bring the Olympics to a bigger audience not just every two years," Mr. Kleve said, "and to present the Olympics not only as a visitor would see them but also through the eyes of the athletes and the judges."

To produce the most convincing Roderick Conway Morris writes for the International Herald Tribune on art and culture.

impression possible, extensive filming was done at the latest Games at Nagano and Atlanta, with participants re-enacting events with cameras strapped to their bodies or equipment. Using this footage, high-tech simulators allow visitors to participate in some sports, sample virtual-reality versions of others, and try their hand at judging contests.

Visitors can square up to a life-size interactive and suitably provocative ice hockey goalie and try to shoot balls into the net, or, bat or

The high dive gives an idea of what it might be like to fall out the window of a tall building.

racket in hand, be on the receiving end of a baseball pitcher or tennis player's deliveries. They can launch themselves from the starting blocks for the 100-meter sprint, and compare their reaction time and opening speeds to those of the champions, or run the 1,500 meters on a treadmill as part of a field projected on a screen in front of them.

Other events can be experienced by sitting in a four-man bobsled, which bumps, swings and tilts as it hurtles down a virtual-reality run at "actual" speed and icy air blows in your face and ruffles your hair, or fly into the virtual void as a ski jumper. Strictly for those with strong stomachs is the chance to be whirled around while strapped into a gyroscope designed to reproduce the violent head-over-heels motions gymnasts perform.

Some sports, such as boxing and high diving, are presented as judging challenges, with visitors recording points on actual matches. They can then measure them against the real deal results.

A composite 10-minute virtual experience of a series of events — not, warns the presiding "coach," as the staff are titled, to be undertaken by those with heart or back problems — is also provided in a 48-seat cinema with hydraulic seats that lurch, bounce and shudder to such convincing effect that some visitors may be left wondering why anybody takes up some of these sports in the first place. The cross-country biking

sequence is a regular bone-shaker, the pole vault leaves your heart somewhere around your knees and the high dive gives a good idea of what it might be like to fall out of the window of a tall building.

Olympic Spirit is also offering day sessions for schools and sports groups. In the evenings, the complex will be available for private and corporate entertaining, although participants in this case would be advised to try certain "rides" before rather than after hitting the buffet or special dinners provided.

"We hope to have half a million visitors in the first year, which, given that last year Olympiapark had 12 million visitors and 730,000 of these took the ride up the Olympic Tower, we believe to be an achievable figure," said Mr. Kleve.

The refurbished Velodrome can take in 2,600 visitors, although at anything approaching this capacity the wait to participate in some activities could be long. Advance booking is advisable, and for anybody traveling any distance to come here, looks likely to become essential. Entry is 18 DM for children (aged 3 to 12) and 28 DM for adults.

While Bonn remained the seat of government in West Germany, Munich had little competition to its claim to be the Federal Republic's "cultural capital." The reinstatement of Berlin as the country's chief city certainly does not seem to be causing panic in a place where many Germans still say they would like to live, if only they could afford it.

THE lure of the burgeoning Prussian metropolis has yet to dent tourism in Munich, which registered a rise of more than 6 percent in visitors last year, bringing nearly 3.4 million to a city with about 1.3 million inhabitants.

But Munich is not resting on its laurels in the area of museums, for instance, in which it has long been a leader, especially now that it is finding a rival in Berlin, whose galleries and museums have been undergoing extensive and ambitious expansion and restructuring.

Munich's Alte Pinakothek (Old Picture Gallery), one of the world's finest collections of European old masters, reopened its doors last summer after a prolonged restoration, which has turned out to have



At top left, the former Velodrome at Munich's Olympiapark, where the city's new \$41 million Olympic Spirit center is housed.

been well worth the wait.

Discussions have been going on since the beginning of this century on the need to create a new museum for thousands of works belonging to the state of Bavaria. The number of those works has been steadily increasing and many have never been on permanent display for lack of space.

At last the Pinakothek der Moderne (Modern Art Gallery) is taking shape next door to the Alte Pinakothek and Neue Pinakothek (which itself has an impressive range of post-18th-century masters). The 20 million DM, 22,000-square-meter new museum will

bring together not only the collections of the State Gallery of Modern Art, presently housed in a sinister Fascist edifice, but also the State Graphic Art Collection, the Neue Sammlung (New Collection), which is devoted to design and applied arts, and the Architecture Museum of the Technical University.

The building itself is not especially exciting, but bringing the best of these rich collections together will make it possible to trace the development of 20th-century art, architecture and design under the same roof, promising a significant addition to the city's already impressive constellation of museums.

A Nation Looks For 'Normality'

Continued from Page 18

the division of the country continue? These questions have definitively been answered with Germany's participation in the NATO campaign in Yugoslavia. A government of the left is leading Germany to join its alliance partners in its first military action since 1945. The slogan "Never Again War" has been replaced by "Never Again Genocide."

Most Germans no longer see a special role for the country, but rather full-fledged integration in the Western community as the lesson that should be drawn from history.

On April 19, the first session of the Bundestag took place in the newly opened Berlin Reichstag building. A new chapter of German history is beginning, it is said, and a frequently used formula to describe this chapter is the concept of "normality." Germany is a "large, normal country," said Hubert Vedrine, France's foreign minister.

That is not to say that the German past should be forgotten. The memory of the rupture in civilization represented by the Holocaust cannot be erased. But with what means and in what form should that memory be guarded?

Already in the 1980s the idea of a central monument in Berlin arose. Then the federal government, the senate of Berlin and a private association sponsored a competition, but the results showed how difficult it was to give any adequate architectural expression to the Holocaust. A decision should be reached this fall by the Bundestag.

In the meantime, the debate has taken on new life. The Bundestag elections on Sept. 27 not only signaled a shift to the left but also to a new generation of leaders. Gerhard Schröder, the new Social Democratic chancellor, began sending new signals at the very beginning of his term by indicating that the change in government should be understood as a new "normality" in Germany's attitude toward itself. His government adopted the motto "Because We Trust Germany's Power." He said that he would like a monument in Berlin that would be oriented not only to the past but also to the future and that "people would want to visit."

In connection with the debate about the monument and the question of German "normality," no event has upset the nation as much as the speech given by the writer Martin Walser in October after he received the Peace Prize at the Frankfurt International Book Fair. Mr. Walser, spoke sentences that a few years ago could not have been uttered in such a public setting. But he obviously expressed widely held feelings and it was striking that the political and intellectual elite gathered in Frankfurt's Paulskirche appeared to agree with him.

Mr. Walser maintained that the incantation of Germany's past had become an empty ritual and a political "routine threat." Regarding the planned Holocaust monument, he said: "The world can one day see what people do when they feel responsible for the conscience of others. The cementing of the center of the capital with a nightmare the size of a football field. The monumentalizing of shame."

Mr. Walser's assertions did not go unanswered. The chairman of the Central Council of Jews, Ignatz Bubis, accused him of "intellectual arson."

But the answers to Mr. Walser demonstrated one thing above all: The old rules of discussion no longer hold. A monument will be built in Berlin. But it will no longer be the center of the magnetic field that orders the orbit of German politics.

ECKHARD FUHR is an editor at the Frankfurter Allgemeine Zeitung.

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SPORTS

Royals Blow 2 Leads Against the Twins

Latham's Sacrifice Fly Settles Game in 13th

The Associated Press

The Kansas City Royals blew leads of four runs and two runs before losing, 8-7, to the Minnesota Twins in the 13th inning.

The Royals, who last year lost 51

home games — a club-record and the worst total in the majors — slid to 1-7 at home this year.

Kansas City had leads of 5-1 and 7-5 on Tuesday before Chris Latham settled the game with a 13th-inning sacrifice fly.

The Royals have squandered leads in three games while losing four straight.

"It's frustrating," said Tony Muser, the Kansas City manager. "But we're going to stick with the young guys that we believe in and we're going to prod them and push them to turn this thing around."

The Twins loaded the bases in the 13th inning after Doug Mientkiewicz drew a leadoff walk. Then Latham, who had just one hit in 10 at-bats this year, lined a sacrifice fly into left to score the go-ahead run. "Man, it felt like a thousand pounds taken off my chest," Latham said. "I was feeling pressure. It's tough coming off the bench when you haven't had that many at-bats."

Yankees 4, Rangers 0 David Cone allowed three hits in eight innings and Paul O'Neill homered twice as New York beat Texas at home to snap a four-game losing streak.

O'Neill broke out of an 0-for-15 slump with a two-run homer in the first and a solo shot in the third.

Texas did not get a runner past second in a game that brought back memories of the playoffs last year, when New York held the Rangers to one run and a .141 average during a three-game sweep.

Devil Rays 5, Orioles 3 Scott Erickson (0-3) was pulled out after just five outs as visiting Baltimore lost its fourth straight.

At 3-10, the Orioles are off to their worst start since they lost 21 straight at the start of the 1988 season. Erickson allowed five runs and eight hits, raising his earned run average to 12.41.

Blue Jays 5, Angels 4 Tony Fernandez hit a three-run double, and Kevin Escobar allowed one run and eight hits in 6 1/2 innings at the SkyDome as Toronto beat Anaheim to win its sixth straight.

Indians 5, Athletics 1 Bartolo Colon (3-0) allowed three hits in six innings, and Steve Reed, Mark Langston and Paul Shuey followed with hitless relief as Cleveland beat visiting Oakland and matched its 10-2 start of last season.



Matt Clement of San Diego sliding safely home as Jason Kendall, the Pittsburgh catcher, drops the throw.

Red Sox 1, Tigers 0 Pedro Martinez allowed three hits and struck out 10 in 7 1/2 innings, and Troy O'Leary homered as Boston won in Detroit.

White Sox 3, Mariners 1 Frank Thomas hit a go-ahead double in the fifth inning, and Ray Durham added a solo homer as Chicago beat Seattle and won for the first time in four games since last season.

Braves 5, Brewers 4 Daulton Dierdorf and three relievers gave up 11 walks but only four hits as Los Angeles beat Atlanta.

The crowd of 37,717 lifted Los Angeles over the 100 million mark at Dodger Stadium since the ballpark opened in 1962. The Dodgers have

drawn 100,029,328 fans.

Pirates 7, Padres 3 Adrian Brown blooped a bases-loaded, tiebreaking single off Trevor Hoffman with one out in the 10th inning as Pittsburgh won in San Diego.

Diamondbacks 5, Phillies 1 Randy Johnson struck out 10 Philadelphia batters to get his first home victory for Arizona.

Astros 10, Cubs 4 Richard Hidalgo and Mitch Meluskey hit back-to-back homers and Carl Everett drove in three runs as Houston won in Chicago.

Sammy Sosa hit his third homer and first of the season at Wrigley Field.

Martinez 7, Giants 2 Brian Meadows

gave up two runs and seven hits in 7 1/2 innings as Florida won in San Francisco.

Cardinals 8, Brewers 3 Eric Davis drove in two runs before he was hit by a pitch and left the game. St. Louis also lost Mark McGwire, who left the game in the fifth inning with a tight left hamstring, but the Cards still managed beat visiting Milwaukee.

Mets 3, Reds 2 Bobby Bonilla's first homer for the Mets broke a seventh-inning tie as New York won in Cincinnati.

The game in Denver between the Colorado Rockies and the Montreal Expos was postponed because of the nearby high school shootings.

EPO Provides An 'Incredible' Lift to Athletes In Drug Trials

Agence France Presse

SYDNEY — Australian athletes taking part in tests with banned drugs have shown "incredible increases" in performance, a report said Wednesday.

In trials to develop a reliable doping test before the Sydney 2000 Olympics, 22 athletes are being injected with EPO, a synthetic hormone that stimulates the production of oxygen-carrying red blood cells. Eleven are being given a placebo.

"We are seeing huge increases in performance in a very short amount of time," Hamilton Lee, a scientist at the Australian Institute of Sports, told the Sydney Daily Telegraph. "We don't know who is on EPO and who is taking a placebo, but there are incredible increases."

EPO is not detectable through urine analysis, and currently there is no reliable test. "The present task is to see whether we can detect artificial EPO," said Geoff Strang, director of the Australian Sports Commission.

The athletes, who have not been named, are believed to be just below elite Olympic level. They have been injected three times a week and will have to stay out of competition for 14 weeks after the five-week program to allow the body to leave the body.

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SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

Team	W	L	Pct.	GB
Toronto	10	4	.714	—
Boston	8	5	.615	1 1/2
New York	8	5	.615	1 1/2
Tampa Bay	7	7	.500	3 1/2
Baltimore	3	10	.231	6 1/2

Team	W	L	Pct.	GB
Cleveland	10	2	.833	—
Minnesota	7	7	.500	—
Chicago	6	8	.429	—
Detroit	6	8	.429	—
Kansas City	2	9	.182	—

Team	W	L	Pct.	GB
Seattle	7	7	.500	—
Anaheim	6	8	.429	—
Oakland	6	8	.429	—
San Diego	6	8	.429	—

TUESDAY'S LEAGUES

Team	W	L	Pct.	GB
Red Sox	10	0	1.000	—
Tigers	0	1	.000	—
Yankees	4	0	1.000	—
Rangers	0	4	.000	—

Team	W	L	Pct.	GB
Blue Jays	5	4	.556	—
Angels	4	5	.444	—
Devil Rays	5	0	1.000	—
Orioles	3	5	.375	—

Team	W	L	Pct.	GB
Braves	5	4	.556	—
Brewers	4	5	.444	—
Mariners	3	5	.375	—
Padres	3	5	.375	—

PHILADELPHIA 22, NEW YORK 21

Team	W	L	Pct.	GB
Philadelphia	22	19	.537	6
New York	21	20	.512	7 1/2
San Diego	16	25	.391	12
Washington	16	25	.391	12
New Jersey	12	29	.293	16

Team	W	L	Pct.	GB
Atlanta	27	15	.643	—
Alfonso	27	15	.643	—
Detroit	23	18	.563	3 1/2
Atlanta	23	18	.563	3 1/2
Cleveland	21	20	.512	5 1/2

WESTERN CONFERENCE

Team	W	L	Pct.	GB
San Antonio	27	12	.692	—
Houston	27	12	.692	—
Portland	22	20	.524	10 1/2
Dallas	14	27	.341	18
San Antonio	13	29	.310	19 1/2
Denver	7	25	.147	25 1/2

Team	W	L	Pct.	GB
Phoenix	21	21	.500	10
San Antonio	21	21	.500	10
San Antonio	21	21	.500	10
San Antonio	21	21	.500	10
San Antonio	21	21	.500	10

EURO LEAGUE FINAL FOUR

Team	W	L	Pct.	GB
Barcelona	21	20	.512	—
Real Madrid	21	20	.512	—
Barcelona	21	20	.512	—
Real Madrid	21	20	.512	—
Barcelona	21	20	.512	—

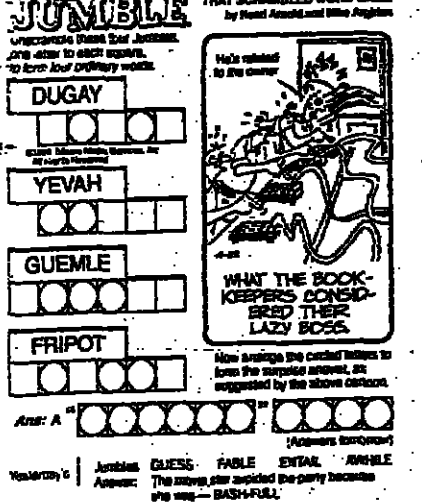
TRANSITIONS

Team	W	L	Pct.	GB
Barcelona	21	20	.512	—
Real Madrid	21	20	.512	—
Barcelona	21	20	.512	—
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Barcelona	21	20	.512	—

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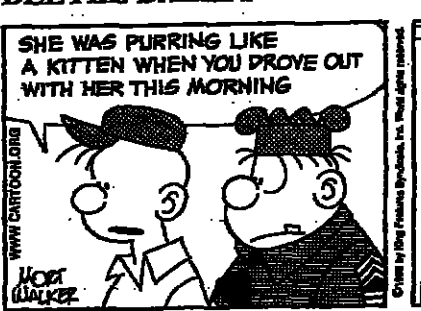
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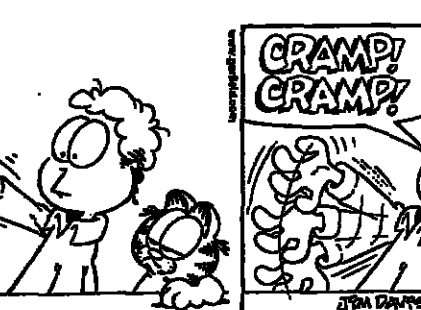
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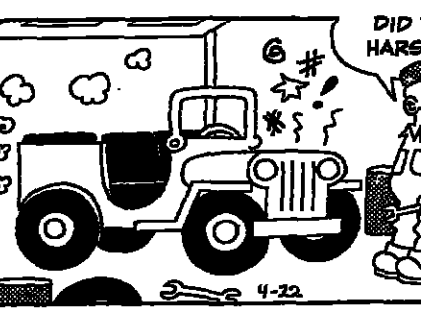
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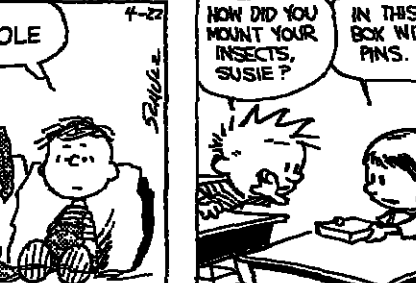
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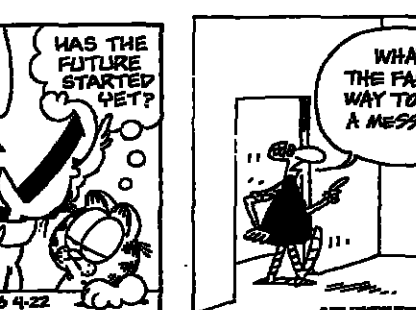
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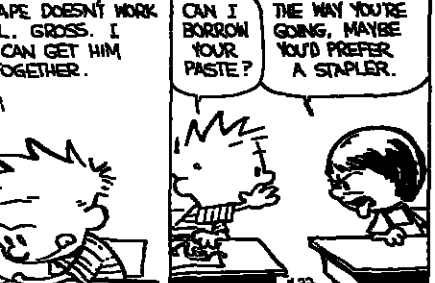
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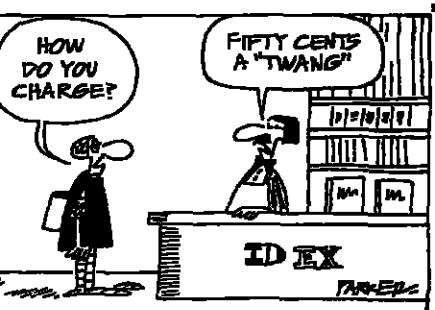
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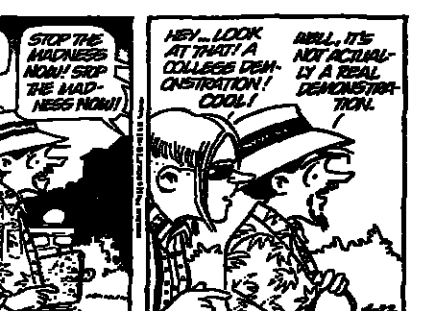
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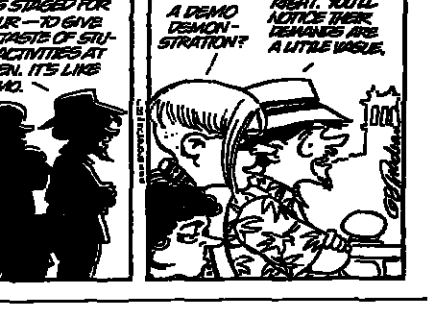
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DENMARK	DKK	3.20	2.00	38%
FRANCE	EUR	1.50	1.00	33%
GERMANY	EUR	1.50	1.00	33%
GREAT BRITAIN	GBP	2.50	1.50	40%
HONG KONG	HKD	20.00	12.00	40%
ITALY	EUR	1.50	1.00	33%
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ART BUCHWALD

The Worth of a Name

NEW YORK — How much do you think your name is worth? Whatever figure you just came up with, it's not enough.

What's happening is that your telephone company is selling your name to a credit card company, and the credit card company will sell it to a carmaker who will peddle it to a magazine for its subscription list.

This is how it works — and there isn't much you can do about it. An insurance company wants to do a mailing to doctors, but it doesn't want to waste money on those who live in Guam or the Aleutian Islands. It contacts a mail-order house that specializes in winter underwear.

"We would like to buy the names of all doctors who play golf, specialize in gastroenterology and have been married more than once."

"We have such a list but it will cost you 15 cents a name, and no rebate for anyone who has moved to Brazil in the last two years."

With computerized mail-

ing lists a person's name gets more valuable every day.

You know someone has sold your name when, after you order flowers for your mother by telegraph, you start receiving *Hustler* magazine in the mail without your permission.

Archie Loman posed an interesting question the other day. He said, "If companies are selling my name, why can't I get some of the money?"

You probably could if you knew they were doing it. But most profit organizations in the business keep their lists in salt mines in Utah, and it's impossible for anyone to find them.

There is a slight wave of protest among consumers that their names are being banded around without their permission, but they can't get themselves out of the hard drive. Let's face it. There is no business like the name business.

The direct marketing lobby will always ask, "How are they going to sell gallons of suntan oil if a company doesn't know how you spend your summer?"

Uruguayan Wins Lannan Prize

NEW YORK — The Lannan Foundation of Santa Fe will give its first \$250,000 Prize for Cultural Freedom to the Uruguayan writer Eduardo Galeano. As part of the award, one of the cultural world's largest monetary prizes, the foundation will also donate \$100,000 to three charities of Galeano's choosing.

Galeano, 58, is best known for his trilogy, "Memory of Fire," which consists of poetic vignettes about the history of the Americas and indigenous peoples. It won the American Book Award in 1989. In 1974 he fled Uruguay after protesting government violence and corruption. After a coup in Argentina, Galeano fled again, to Spain, where he lived until he returned to Uruguay in 1984.

The prize recognizes work that "celebrates the human right to freedom of imagination, inquiry and expression."

By Stephen Holden

New York Times Service

NEW YORK — A whiff of incense mixed with marijuana smoke drifts through two new movies, "Hideous Kinky" and "A Walk on the Moon," both of which conjure an era that Hollywood, in its devotion to snugly happy endings, has largely avoided.

In the countercultural dream that has so intimidated Hollywood, a hippie Pied Piper with stringy shoulder-length hair, a fringed jacket and reeking of patchouli oil is banging a tambourine on his knee with one hand and flashing a peace sign with the other. Beside him are a trio of spaced-out go-go girls shimmying and gazing groggily into the purple haze.

Although that signature scent, blown across three decades of shifting winds, isn't overpowering in these films, it is just pungent enough to suggest that what we think of as "the '60s" — the years (1964-72) bracketed musically by Beatlemania and "American Pie" — were not a hallucination but a messy, uncomfortable reality.

In their hesitantly nostalgic ways, both films remind us that in the days of turning on, tuning in and dropping out, people actually followed Timothy Leary's notorious prescription for personal enlightenment.

But in remaining true to Hollywood's tidy, late-'90s formulas, they also suggest that dropping back in was just as easy and that all that dope smoking, acid tripping, searching, protesting and free love was an adolescent prank, a temporary lapse of judgment.

Both films focus on young, attractive women who break the rules to pursue sexual and spiritual transcendence, then return to the middle-class lives they renounced. In the smart, beautifully acted "Hideous Kinky," set in Morocco in 1972, Kate Winslet is Julia, a young Englishwoman drifting around North Africa with two young daughters in tow and no money.

In Marrakech she meets a Moroccan street acrobat, Said Taghmaoui, who is also penniless. The two make love, smoke hashish and drag the girls along on a risky trek into the countryside. Now and then, Julia, who aspires to learn Sufi dancing, makes noises about wanting to experience pure joy by obliterating her ego.

In reimagining an era of hippies, dropouts and seekers after a higher consciousness, "Hideous Kinky" is accurate as far as it goes. But that isn't very far. The movie conveys



Kate Winslet is a rambling mom in Morocco in "Hideous Kinky."

only the flavor of the time. Julia's quest is portrayed as muddled and vague, and the movie nudges us again and again to recognize what a terrible, irresponsible parent she is.

When one daughter insists she wants to return to England and have a proper education, her mother is dumbfounded. True, Julia radiates a certain defiant charm. But in the film's overall judgment, she is also a silly spaced-out fool who must come to her senses. And in the end she does.

"A Walk on the Moon" follows Pearl Kantowitz, played by Diane Lane, to a working-class Jewish resort in the Catskills in the summer of 1969. Pearl, who married her husband, Marty (Liev Schreiber), when she became pregnant at 17, is now the mother of a 14-year-old daughter, Alison (Anna Paquin), who is just entering adolescence. On weekdays, while Marty is back in New York City repairing televisions, Pearl plunges into an affair with Walker (Viggo Mortensen), a smolderingly handsome peddler of blouses that he sells to the summer colony out of his van.

Pearl momentarily loses her head and slips off with Walker to the nearby Woodstock festival, where her daughter witnesses her, body-painted and ecstatic, being whirled in her lover's arms. Alison is understandably

upset. When Pearl finally has to choose between Marty and Walker, the small, finely acted film caves in to '90s movie values.

Had "A Walk on the Moon" been made in the '70s, there is little doubt that the character would have forsaken her family to go on the road with her sexual savior. Today, that is not permitted.

In what they show and don't show of the '60s, both films raise disturbing questions: When did it become embarrassing for the mass media to portray the counterculture as a movement driven by passionate idealism and a reckless insistence on crashing through barriers? Could it be that the movies are too scared of the era and the freedoms it represented to confront it head-on?

Every now and then, Hollywood has tried. "Easy Rider," which came out of left field in 1969 and was made for a dime, proved to be a fluke. While other films of the period, "Midnight Cowboy" and "Five Easy Pieces," for example, and later, "Shampoo" and "Coming Home," expressed a combative, rebellious spirit, they didn't dive in to the thick of things.

And Hollywood was very late in addressing the Vietnam War. It had to be safely behind us before we could begin to watch movies about it.

As much as the counterculture was mobilized by antiwar sentiment, its driving force was really drugs, and not only psychedelics. In the quest to "break on through to the other side," as Jim Morrison belted, any and every stimulant was enlisted for the cause.

Amphetamines, which were widely available back then and carried little stigma, contributed immeasurably to the collective paranoia that was rapidly building up. And, of course, there was always booze to smooth the transitions.

Were what we call the '60s a mass psychosis that is either best forgotten or swept under the rug? I don't think so. For all the smashed lives and insanity that such excesses brought, the root of that frenzied exploration still strikes me as an honest, if naive, effort to improve the human condition by storming the barricades of consciousness. That idealism is distilled in the best music of the era, which combines a majestic rage with an exhilarating eroticism.

Today's social climate is in many ways antithetical to that of 30 years ago when the notion of capitalism itself was under siege. The power of today's American economy combined with the country's conservative, conformist values, make joining the system irresistible to all but a few. Rebellion is reduced to a matter of fashion statement.

If the AIDS epidemic ended the sexual revolution, sexual allure has increasingly become the major marketing tool fueling the economy. Rock may have been superseded by rap, but the history of rock and roll is probably the one with which more Americans are familiar than any other. As for drugs, the new miracle elixirs, Prozac and the other serotonin boosters are tools to help people become happier, more efficient producers in the great American money machine.

Movies may never get the '60s right. For one thing, those days are fading fast, and many of the Hollywood studio executives calling the shots are Wunderkinds in their 20s and 30s whose closest contact with the '60s are VH1 flashbacks or their parents' (censored) anecdotes.

In his sweetly prescient '60s ballad, "Younger Generation," John Sebastian, a quintessential Woodstock-era songwriter, contemplated impending fatherhood and the raising of an adolescent son. "And then I'll know that all I've learned my kid assumes/And all my deepest worries must be his cartoons."



Loren meeting the paparazzi after receiving her award in Rome.

WITH a temporary permit in hand, Woodstock '99 organizers have booked four more groups to their musical lineup. Added for the three-day festival this summer are Wyckd Jean and the Refugee Allstars, the Canadian rockers Our Lady Peace, the British soul and funk sensation Jamiroquai and the former Grateful Dead drummer Mickey Hart and his Planet Drum band. So far, 35 acts have been signed to perform at the 30th anniversary event, which will be held July 23 to 25 at the former Griffiss Air Force Base at Rome, New York. Among the other groups scheduled to perform so far are the Dave Matthews Band, Jewel, Metallica, Alanis Morissette, Counting Crows and Sheryl Crow. Woodstock tickets go on sale nationwide for \$150 apiece on Sunday.

Prime Minister Massimo D'Alema received a surprise for his 50th birthday — a kiss on the cheek from Sophia Loren. The actress planted the

kiss on the prime minister during a ceremony in Rome in which he presented her a government award for cultural achievement. "I am a true admirer of yours," D'Alema told Loren. "Thanks for the emotions you know how to give us."

Johnny Cash has recorded more than 400 of his favorite Scriptures for a soon-to-be-released line of electronic Bibles. Cash will narrate the desktop version of Franklin Electronics' King James Bible due out in July. He has been a spokesman for the company for six years.

Jane Seymour's fans raised \$10,000 to sponsor a star with her name on the Hollywood Walk of Fame. Pam Hughes, international chairwoman for the Jane Seymour Star Campaign, said fans from around the world had contributed. "This is way beyond my wildest imagination," Seymour told a cheering crowd of more than 500 along the sidewalk at the dedication ceremony,

adding a thank-you to the fans who had pooled their money to promote her star. "When I came here from England, I looked at the stars on Hollywood Boulevard and said, 'These are for other people, not for me.'"

Friends and family of the folk rock musician Dave Swarbrick were relieved to find out that he was still alive, and The Daily Telegraph of London apologized for mistakenly reporting his death at the age of 58 and carrying an obituary. Swarbrick, a member of the veteran British group Fairport Convention, is still recovering in a hospital from a chest infection. "This is really going to tickle him pink," his wife, Jill, told the Daily Mail.

A judge in New York has clipped the wings of a daredevil Norwegian parachutist who jumped off New York City's tallest skyscrapers. Thor Axel Kappfjell, 32, of Drammen, Norway, was allowed to plead guilty to three

misdeemeanor counts after promising not to jump off any more buildings in the city. The \$2,000 parachute he used in March to jump off one of the twin towers of the 110-story World Trade Center was confiscated by prosecutors as "an instrument of crime." In October Kappfjell, parachuted off the 86th-floor observation deck of the Empire State Building and the 61st floor of the Chrysler Building. "For a jumper, being in New York is like being in heaven," Kappfjell said.

The dancer-choreographer Ann Reinking will join the touring company of "Chicago" next week in Boston to replace Sandy Duncan, who broke her foot while rehearsing to take the musical on the road. Duncan plans to join the New York cast as Roxie Hart when her injury heals, a spokesman for the show said. Reinking originally starred in and choreographed the revival of "Chicago," which opened in New York in November 1996. She will play in Boston through May 16.



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